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NEWS SUMMARY

GENERAL

Kennedy declares his candidacy

Senator Edward Kennedy offered the U.S. his vision of a *forceful, effective Presidency* " as he declared formally his candidacy.

Speaking from the platform of Faneuil Hall, Boston, which has links with the *American Revolution*, Kennedy never mentioned by name his principal opponent for the Democratic Party's nomination, President Jimmy Carter.

He was surrounded by his family as he made the announcement, and his message was that the White House leadership should "*provide the sense of* direction needed by the nation."

Back Page: Chappaquiddick and Camelot, Page 5

Budget vote

European *Parliament* voted to return the draft budget for Community spending in 1980 to the Council of Ministers, with a change in the way Ministers *want money spent on* agriculture. British Conservatives were furious over an amendment imposing a tax on milk producers. Farm policy, Page 3; Feature, Page 24

Action threat, Page 3

Soviet arms call

Soviet Defence Minister Dimitri Ustinov called for a strengthening of his country's military might at the annual Red Square Parade. He denounced Western plans to upgrade NATO's nuclear arsenal. Page 3

Asylum sought

IRA member Michael O'Rourke *is to seek political asylum in the* U.S. when he appears at a deportation hearing in Philadelphia today. Dublin's Special Criminal Court has issued a warrant for his arrest.

Cabinet changes

Israeli Premier Menachem Begin announced a new Cabinet, taking over the Foreign Ministry *himself* after Moshe Dayan's resignation. Yigal Hurwitz is the new Finance Minister.

Murder hunt clue

Police are hunting two men seen abandoning a car belonging to one of the two women murdered in a country house near Congleton, Cheshire. The car was found at a Newcastle-under-Lyme inn.

Programmes row

A row between the *Government* and the BBC is likely to erupt because some programmes have allegedly co-operated too closely with illegal terrorist organisations in *Northern Ireland*. Page 1

Swedish heir

Swedish Parliament changed the act of succession so that two-year-old Princess Victoria, the monarch's first child, will inherit the throne instead of her brother Carl Philip.

French flights hit

French air services will be severely hit today with both air traffic controllers and Air France employees on strike. There will be no departures from major airports between 9 am and 5.30 pm. Page 3

Briefly . . .

Vatinean Swiss guard overpowered a knifeman who said he wanted to kill the Pope.

Radio signals from an automatic *alarm were picked up by* ships searching for Norwegian freighter Berge Vanga off South Africa.

Fear of mugging is stopping collectors volunteering for the British Legion poppy appeal, said the chairman.

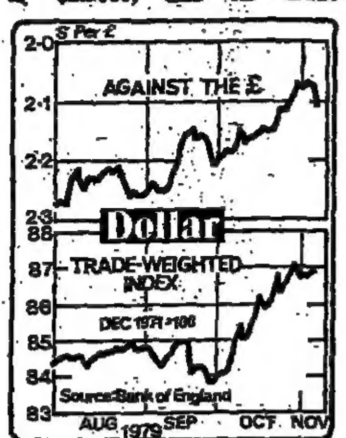
Rudolf Nureyev broke a toe during a performance of the Nutcracker Suite in West Berlin.

BUSINESS

Gold up sharply; Mines rise 9.2

● GOLD rose sharply in London on Iran oil export fears to close $11¼ up at $395¾.

● STERLING closed 3½c higher at *$2.1060*, and its trade-



weighted index rose to 67.2 (66.6). DOLLAR'S index remained at 86.9.

● GOLDS: South African golds *responded to the further bullion* rise and the Gold Mines index advanced 9.2 to 219.3.

● GILTS fell sharply, with losses of up to £1¾ in longs and nearly £1 in shorts, and the Government Securities index fell 0.84 to 66.60.

● EQUITIES staged a modest technical recovery, and the FT 30-share index closed only 0.4 off at 418.1.

● WALL STREET was down 7.50 at 798.89 near the close.

● SWEDEN is to raise an $800m *loan on the international capital* markets, after a fall in the country's foreign exchange reserves, and a steady decline in balance of payments. Back Page

● GOVERNMENT has raised £21.9m through the sale of its 7.7 per cent shareholding in Compagnie Financiere de Suez, *the diversified French industrial* and financial holding company. Back Page; Company profile, Page 34

● EEC Commission approval for the Government's plan to make Corby a development area is expected in a few weeks, Industry Secretary Sir Keith Joseph said. The town is to lose 5,500 jobs through iron and steel plant closures next year. Back Page 8, and Parliament, Page 12

● ESSO CHEMICAL is considering building a plastics material plant as a cost of about £100m on its Mossmorran sit in Fife. Page 11

● MOTOR trade now expects new car sales in UK to reach record levels this year after an unexpected jump in October registrations—up 7 per cent *against October* last year. Page 8

LABOUR

● BL CARS hopes of introducing a 5 per cent pay deal without provoking industrial action were boosted when union negotiators agreed to sound out shop floor opinion on the issue. Back Page; *Miners'* pay, Page 15

● TGWU *lorry drivers are to* hold a ballot on whether to co-operate with the introduction of the tachograph, or "spy in the cab," Page 15

COMPANIES

● J. SAINSBURY increased pre-tax profits in the 28 weeks to September 15 by more than 25 per cent from £15.56m to £19.52m on sales, including VAT, nearly 17 per cent higher at £608m. Page 26 and Lex, Back Page

● IHI, the Japanese shipbuilder and heavy machinery maker, made a net loss for the six months to September 30 of Y 4.37bn (£8.9m) *against* a net profit of Y 1.63bn. Page 35

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES		
Allied Colloids	146	+ 6
Barclays Bank	382	+ 7
Boot (Henry)	112	+ 4
Bowater	180	+ 5
Reed Intnl.	170	+ 4
Stylo Shoes	165	+ 5
Blyvoor	425	+ 30
Hartebeest	£19¾	+ 1
Libanon	728	+ 41
Southvaal	812	+ 53
FALLS		
Treas. 12pc 1984	£91⅞	— ⅞
Treas. 13¾pc 1993	£95¼	— 1⅞
Allatt London	148	— 10
Asscd. Newspapers	218	— 7
Berkeley Hambro	184	— 7
Blue Circle	228	— 10
Booker McConnell	259	— 14
British Home Stores	226	— 5
Cater Ryder	295	— 8
Feedex	35	— 4
Flight Refuelling	163	— 7
Gerrard & National	216	— 9
Gough Cooper	75	— 5
Hall Engineering	125	— 8
Heath (C. E.)	175	— 7
Home Charm	124	— 10
Ladbroke	164	— 6
Laing Props. A	114	— 8
London Trust Dfd.	100	— 6
Marston Thompson	101	— 6
Mills and Allen	247	— 15
Sirdar	110	— 8
Sotheby PB	350	— 17
Stewart Wrightson	160	— 8
Thorn Elec.	326	— 10
Utd. City Merchants	30	— 7
Wallis Fashion	44	— 6
BP	360	— 4
Royal Dutch	£34¼	— 1¼
Northern Mining	75	— 5

U.S. and Iran still deadlocked but oil exports go on

BY ANDREW WHITLEY IN LONDON and DAVID BUCHAN IN WASHINGTON

The U.S. and Iran are still deadlocked over the fate of the 60 American diplomats held hostage by militant followers of the Ayatollah Khomeini demanding the return for trial of the Shah, who is being treated for cancer in New York.

Reports, including some from the U.S. Government, that Kargh Island, Iran's main oil *export terminal, had been shut* set off waves of apprehension in the industrialised world, pushing up spot prices to record levels.

Those reports emanating *from* Washington *were* dismissed by Dr. Zbigniew Brzezinski, President Jimmy Carter's National Security Adviser.

The National Iranian Oil Company repeatedly, and then Mr. Ali Akbar Moinfar, the Oil Minister, *stressed that* shipments were "proceeding normally," and their claim was endorsed by several Western oil companies.

Although it *was clear tankers* were being loaded at Kharg Island, there were apprehensions over the possibility of Iran's imposing an embargo on vessels owned or chartered by American companies. The implied threat still remains.

The two special emissaries from Washington were due to arrive in Tehran early this morning carrying a message from Mr. Carter to the Ayatollah Khomeini and the ruling Revolutionary Council urging *the release of the captive* diplomats.

The mission got off to a bad start when Khomeini declared that it would not be received.

Last night he said: "If the U.S. gives the Shah back to Iran and stops espionage against the revolution, the way to negotiations will be open in some cases."

The U.S. mission, led by Mr Ramsey Clark, left for Iran after *receiving permission from* "the Tehran authorities," said the State Department.

An official of the Iranian Foreign Ministry, technically *powerless since the resignation* of the Bazargan Government on Monday night, said Mr. Clark would be received on arrival by members of the Revolutionary Council.

While pinning its hopes for a resolution of the four-day crisis *on the Clarkmission,* the U.S. said yesterday that it welcomed mediation from any source, including the Palestine Liberation Organisation. *PLO officials* had let it be known that they were prepared to intercede with *the Khomeini régime.*

The State Department added it had had no direct contact with the PLO. *In offering* its services it appeared that the PLO was *trying* to influence U.S. public opinion in its own drive for greater acceptance.

Mr. Carter has advised all the remaining Americans in Iran to leave the country.

In Iran, the clerical junta in charge took steps to strengthen its hold on activities of over-enthusiastic supporters. Revolutionary Guards were sent to Kharg Island to protect it against "counter-revolutionary" acts.

Despite the attempts by the authorities to stabilise the situation, Tehran remains in a nervous state. A band of Islamic committeemen surrounded the Financial Times office in the capital yesterday, temporarily detaining Miss Elspeth Hyams, its administrative assistant.

Crisis in Iran Page 4

Rhodesia sanctions order will lapse next week

BY RICHARD EVANS, LOBBY EDITOR

THE GOVERNMENT announced yesterday that the sanctions order under the Southern Rhodesia Act will be allowed to lapse next week in the belief that a settlement of the Rhodesia problem is *imminent.*

The bulk of effective sanctions, including the prohibition of direct trade and the transfer of funds, will be maintained until Zimbabwe-Rhodesia returns to full legal status. But abandoning the largely symbolic sanctions *order is a political* act of the greatest significance.

It could lead to international repercussions at the United Nations and elsewhere. But *although Patriotic Front officials* reacted angrily, the move also underlines the Government's optimism about settlement of the Rhodesia problem, a major diplomatic and political issue for 14 years.

The Government published yesterday an enabling Bill, giving the necessary powers for returning Rhodesia to legality by the establishment of a British governor in Salisbury *and the holding of fresh* elections early next year under the new constitution.

The intention was to put pressure on the Patriotic Front to reach an early agreement at the Lancaster House talks, to placate Bishop Muzorewa and *his Salisbury delegation,* and to avert a damaging split on sanctions within the Conservative Party.

The Conservative Party was *divided on its reaction to the* sanctions move, and the introduction of the Bill. Most Tory MPs supported the Government because of the progress made at *Lancaster* House but some Right-wing backbenchers pressed for the immediate abandonment of all sanctions.

Labour MPs were clearly uncertain on how to react. They were suspicious of Government tactics, particularly over the abandonment of the sanctions order, but they were anxious not to be seen to damage the prospects for a final settlement of the Rhodesia crisis.

There was an immediate outcry from the Opposition in the Commons both at the Government's determination to push the Bill through all its Com*mons stages today* and on to the statute book early next week, and at the decision not to renew Section Two of the Southern Rhodesia Act, 1965.

Ministers were accused of in-

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Acrow-Barford deal called off

BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT

THE PROPOSED deal under *which Acrow planned to take* over Aveling Barford, one of Britain's biggest construction equipment companies, from BL has been called off. The decision, *after several months of* discussions, means that BL's chances of finding a buyer prepared to pay the full asset value of Aveling Barford, estimated at £8m to £10m, are *now remote.*

Acrow said yesterday that discussions had been discontinued *as no* agreement between Acrow and the unions concerned on acceptance of manning levels at the factory in Grantham, Lincs., could be reached.

However, the reduction *which* Acrow is believed to have been seeking — about 450 out of a *total workforce of 2,000*—would normally have been achieved for the most part by voluntary redundancies.

Mr. William de Vigier, chairman of Acrow, had already been to Grantham to talk to union and staff representatives about the proposed takeover. On Tuesday Acrow reported a sharp downturn in profits at the interim stage from £6m pre-tax to £1.3m, with the fall attributed mainly to the engineering strikes in August and September.

City commentators had been unhappy about Acrow's proposed link-up with Aveling Barford, which went into losses last year and is unlikely to have improved this year.

Overall, the news means that Aveling Barford's future becomes once again uncertain. BL, which received the Acrow decision on Tuesday, has already *told* the workforce that the company will be restructured and 300 jobs will go.

BL is to continue its quest for a buyer in the belief that Aveling Barford *would live* more happily within a specialist construction equipment grouping. The company has been up for sale for almost a year, during which time the market for construction equipment worldwide has not improved.

CONTENTS

For latest Share Index 'phone 01-246 8026

Chase prime up to record 15½%

BY OUR FOREIGN STAFF

Chase Manhattan Bank of New York yesterday raised its prime rate to a record 15½ per cent in a further reaction to the U.S. Federal Reserve's credit-tightening measures.

Chase, the third largest U.S. commercial bank, was the first to announce the rise to 15½ per cent, only six days after its previous increase to 15¼ per cent.

Peter Riddell writes: The news from Iran disturbed the foreign exchange and bullion markets yesterday. The dollar was particularly weak because of concern about oil supplies. The latest increase in U.S. prime ratesm ade little difference.

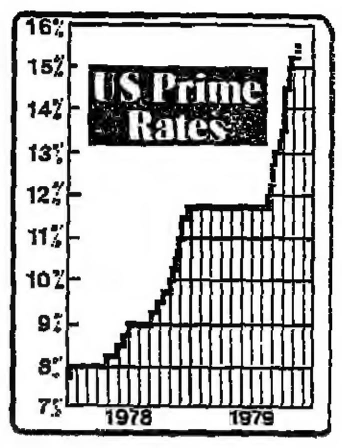
The U.S. currency slipped to DM1.7860 from DM1.7970 and to SwFr1.6330 against SwFr1.6540.

The Japanese yen fell sharply because of fears about oil supplies. It closed slightly above its lowest level following a statement by Mr. Teiichiro Morinaga, the governor of the Bank of Japan.

He said the Japanese authorities might take measures other than intervention to *support the currency.*

Nevertheless the yen fell even against the dollar and closed at Y240.30 against Y238.20 previously.

The main beneficiaries of the markets' disturbance were sterling—up nearly 1 per cent on a *trade-weighted* basis—and gold. The price rose $11¼ to $395¾ an ounce.



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Gilts fall again on interest rate fears

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

PRICES OF gilt-edged stock fell sharply again yesterday as City *financial markets* became more convinced about the likelihood of higher UK interest rates.

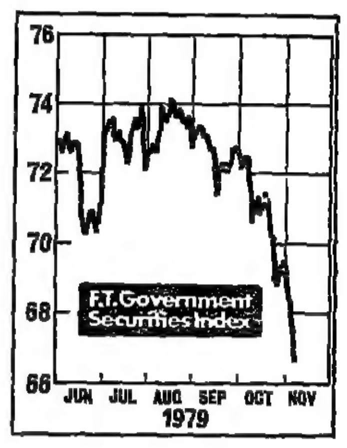
This follows the publication on Tuesday of a much larger-than-expected rise in the money supply and bank lending last month.

Long-dated stocks closed up to £1¾ down on the day and short-dated issues were nearly *£1 down.* The FT Government Securities index has now fallen by 4 per cent in a week.

The money markets remained unsettled and the yield on three-month Treasury bill rates was last night about 14½ per cent, a fell point higher than at *last Friday's tender. Under the* old market-related formula, abandoned in May, 1978, this would have indicated a Minimum Lending Rate of at least 15 per cent. It is now an *administered rate.*

A widespread view in the City is that it is a question of when rather than *whether interest* rates will rise, though there would be considerable surprise if anything happened at the noon announcemnet of MLR *today.*

The official preference is still thought to be to wait and see. *This is both to give a breathing* space to see the response of the markets and the banks, and to allow time to gauge what is happening to the underlying demand for credit after what may have been an erratically big *jump in the money supply.*



The initiative may be taken out of the hands of the Govern*ment if current market trends* continue. The clearing banks yesterday all said they were keeping their base lending rates under close day-to-day scrutiny *in view of the rise in money* market rates. But there does not yet appear to be any signifi*cant pressure by big customers* to borrow from the banks and relend in the markets. Such round-tripping would force an increase in base rates.

The Government seems to have been taken by surprise by the banking figures. Apart from waiting to see how the markets react, any proposals for *tightening credit would have to*

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£ in New York

—	Nov. 5	Previous
Spot	$2.0690-0700	$2.0660-0670
1 month	0.25-0.30pre	0.25-0.30pre
3 months	0.30-0.35pre	0.35-0.40pre
12 months	0.45-0.30 dis	0.20-0.05 dis

BP shares drop below 363p offer price

BY NICHOLAS COLCHESTER

SHARES in British Petroleum yesterday closed below the price of 363p per share at which the Government is *offering 80m shares to the* public £290m. Undermined by the general weakness in the equity market, BP fell 4p over the day to 360p.

At this level the terms of the offer for sale still retain some attraction for investors. The Government is requiring payment of only 150p per share immediately, with the balance due next February and subscribers avoid stamp duty. *Together these amount* to a theoretical saving of about 13p per share.

Nevertheless, some of the issue's underwriters were reassessing last night the extent they should subscribe for BP shares before the offer closes *on Friday. Their problem is* that if the issue is undersubscribed they must honour underwriting commitments and buy the shares for which *they have applied.*

The price of Thorn shares was threatening another *major underwriting operation* yesterday. Thorn dropped 10p to 326p. This was 4p below the price at which institutions have underwritten up to *£100m worth of* Thorn shares to provide the cash alternative in its bid for EMI.

Stewart Dalby in Dublin previews the Irish Premier's visit to the U.S.

Lynch looks west for more support

WHEN Mr. Jack Lynch, the Irish Prime Minister, meets President Carter today in Washington, he will, metaphorically speaking, be wearing two hats. He will be talking to Mr. Carter both as the current President of the EEC Council of Ministers and as the Prime Minister of Ireland—a country from which up to 30m Americans can claim descent.

Mr. Lynch left Dublin accompanied by Mr. Michael O'Kennedy, the Irish Foreign Minister, and equipped with a bulky set of briefing books covering such topics as multinational trade talks, currency stability and energy.

He will want to talk to President Carter about world oil supplies, having been active in European Councils efforts to produce satisfactory conservation policies. But he will also want to talk about foreign investment, which he is hoping his visit will encourage.

Ireland's industrialisation depends to a great extent on foreign companies coming into the country. Since 1960 some £1.6bn has been invested in new manufacturing industries, and U.S. investors have been far and away the most important, accounting for some 50 per cent of this total.

Thus, after he has seen Mr. Carter and leading Irish American politicians in Washington Mr. Lynch will go on to the business centres of Boston, Chicago and then Houston. In Texas he will address bankers specifically on investment opportunities in Ireland.

Inevitably, though, Mr. Lynch's visit will also be much concerned with the Northern Ireland problem. Mr. Lynch is not the kind of man who would embarrass President Carter by suggesting that if President Carter does not support him, he will be seeing Senator Edward Kennedy and three other leading Irish American politicians (Speaker Tip O'Neill, Senator Daniel Moynihan and Governor Hugh Carey of New York) and ask them for backing.

The available evidence suggests Mr. Lynch will not have to resort to this kind of tactic. President Carter is apparently prepared to meet members of the Irish Press accompanying the group, and this has been taken as a sign that he is not about to be outflanked electorally by Senator Kennedy over the Northern Ireland issue. Official thinking in Dublin is that President Carter will gladly accede to what Mr. Lynch wants.

What Mr. Lynch will say is that he does not want direct U.S. involvement in Northern Ireland, but that he would welcome moral and diplomatic support for the political initiative which he feels is necessary to end the troubles there. By diplomatic support Mr. Lynch means he would welcome moves by the U.S. Government and the country's leading Irish Americans to maintain pressure on Britain to get on with its own political initiative.


Mr. Jack Lynch: wearing two hats.

Britain's announcement of a conference on Northern Ireland, probably for the end of this month, has to some extent pre-empted Mr. Lynch. But like other Irish political leaders, he is reserving judgment on the proposed initiative, which is supposed to include discussions with members of the four main political parties in Northern Ireland, until he has seen the consultative document.

This is due to be released by Mr. Humphrey Atkins, the UK Secretary of State for Northern Ireland, on November 15. The document is thought likely to contain a range of proposals which stop short of the two extremes of independence for Ulster or immediate reunification of the two parts of Ireland.

Mr. Lynch will also be asking Mr. Carter and anyone else he meets not to do anything which could be construed as either moral or financial suuport for the Provisional IRA. He will ask the so-called "Four Horsemen"—Mr. Kennedy, Mr. Moynihan, Mr. Carey and Mr. O'Neill—to condemn the Provisional IRA and to completely dissociate themselves from any Irish American organisations which sympathise with the Provisionals.

In doing this Mr. Lynch will for the first time in a considerable period be bringing sharply into focus exactly what is current Irish Government policy on Northern Ireland. For example, the most intriguing aspect of Mr. Lynch's visit to the U.S. is that it highlights how in the past three months his policy on Northern Ireland has changed, if only in emphasis.

In the past Mr. Lynch has condemned the violent methods of the IRA and talked about reunification by consent. But he has never disavowed the dream of reunification, which is an absolute article of faith for the Fianna Fail Party he leads.

Where Mr. Lynch has seemed to change course recently is in the strength of his enunciation of the Provisional IRA, and in his stronger insistence that some form of political devolution in Northern Ireland, involving both Roman Catholics and Protestants, precede reunification or a British troop withdrawal.

In a famous speech in February 1978, Mr. Lynch called on Britain to make a declaration of intent to withdraw from Northern Ireland. In recent interviews he has suggested the British Army should stay.

In the aftermath of Lord Mountbatten's murder last August Mr. Lynch agreed to help improve British-Irish security measures. The measures have not been made public.

When a young woman member of the Fianna Fail parliamentary party recently questioned Mr. Lynch's Republican credentials the Government quickly forced her to back down. Mr. Lynch sought and got the party's backing for his leadership. But Mr. Lynch is now 62, and with two years to the next election he has hinted he wants to retire before too much longer.

He has also said in a revealing article in a Dublin magazine that achieving some movement towards reunification is his greatest ambition. His trip to the U.S. should yield a further indication of how he proposes to do this.

Economic outlook gloomy, says bank

By Our Dublin Correspondent

IRELAND'S central bank has taken a very pessimistic view of the country's economic outlook in its latest quarterly bulletin.

The country faces its worst ever balance of payments deficit of Ir£625m, the bank forecasts. It also expects a slowdown in the rate of growth and continuing high inflation, at least until the middle of next year.

The bank says the balance of payments deficit will rise largely because of a £1.2bn trade gap caused by a 31 per cent leap in imports in the eight months to August. Exports in this period increased by only 17.5 per cent.

Growth could be as low as 2.5 per cent this year, in the bank's estimation. Last year the increase in gross national product was 6.5 per cent. No precise figure for inflation is given in the bulletin but it is generally believed to be running at about 15 per cent.

The central bank's gloom may in fact be understated since it is predicted on there being no more increases in the price of oil before next spring.

Central bankers press for curbs on Euromarkets

BY DAVID MARSH

LEADING CENTRAL banks are keeping up the momentum of efforts started this summer to find ways of controlling the growth of the Euromarkets. Technical experts from the central banks of the Group of Ten and Switzerland are meeting today in Basle, continuing a two-day session which started yesterday, to review progress on improving regulation of international bank lending.

The banking authorities are aiming particularly for a common approach on forcing commercial banks to draw up consolidated balance sheets which give a full picture of all their international activities — and which could be used as a base for the imposition of quantitative controls on the growth of international loans.

The meeting is the latest in a series of expert-level sessions held at the Basle-based Bank for International Settlements since the summer. Working parties have been set up to look into the U.S. suggestion of imposing minimum reserve requirements on Euromarket deposits, to explore other suggestions for controls and to investigate the general influence of the Euromarkets on inflation and money supply growth in individual countries.

Recommendations

The experts are due to make recommendations on possible action to central bank governors at the end of this year or the beginning of 1980.

The gross volume of the Euromarket—the market in foreign currencies held outside their country of domicile—has reached about $1,000bn, having grown at 20-25 per cent per annum over the past few years. Central bankers' concern over international liquidity has, if anything, increased over the last few months.

There are only the most tenuous signs of any let-up in the borrowers' market for international bank lending, which has enabled deficit countries to borrow at increasingly narrow interest rate margins from commercial banks and so avoid the economic policy conditions set down by the International Monetary Fund.

Also, the sharp rise in the price of gold has led to a large increase in the total amount of countries' monetary reserves.

Rapid Euromarket expansion has worried banking authorities in all the main industrialised countries, but individual methods of approach differ widely.

The U.S. in May put forward the suggestion of minimum reserves of Eurodollars as a way of restraining credit growth on offshore markets. But although the idea is still being debated by the central bank experts, it appears highly unlikely that it will be implemented on a global basis.

It would be difficult to impose U.S. and West German-style minimum reserve requirements on to the banking systems of other countries. Also there is fundamental opposition from Britain and Switzerland, which doubt whether such a far-reaching move is necessary.

Danger of interference

Both countries point out the danger of interfering significantly with the efficiency of the Euromarkets at a time when international banks are being called on to finance increasing current account deficits around the world resulting from the oil price rise.

Officials from the West German Bundesbank have been admitting for some months that global Euromarket reserve requirements are not feasible. Instead, they are advocating that capital and liquidity ratios, which are already in force on domestic bank assets in many countries, should be extended to banks' consolidated balance sheets.

This would be along the lines of the measures already in force in Switzerland and the Netherlands, and seems to be the aproach most likely to win general support.

The diversity of opinion among central bankers on remedies for excessive Euromarket growth prompted Mr. Henry Wallich, a governor of the U.S. Federal Reserve Board, to suggest last month that "some combination of different techniques, each country using the one most appropriate to it, may be feasible."

However, even when central banks finish the present round of behind-the-scenes discussions, they will be confronted with the problem of turning recommendations into action. This may involve changes in the banking law for some countries like West Germany and Japan.

Dr. Wilfried Guth, chief executive of West Germany's largest bank, the Deutsche Bank, said last month that it was clear that the supervisory authorities were aiming for some kind of regulatory ratios on the basis of consolidated balance sheets.

"But there is still a long way to go before decisions can be worked out and turned into a results."

Tests on Norway gas find put off until the spring

BY FAY GJESTER IN OSLO

TESTING OF a highly promising gas find in Norway's part of the North Sea has been postponed until the spring because of bad weather, according to Norske Shell, the operating company.

The Norwegian Oil Ministry says, however, that the postponement will not delay an official study into a gas-gathering pipeline through Norway's sector. The Government's announcement that it would go ahead with the pipeline followed closely on the news of the gas discovery.

Norske Shell said that an anchor on the rig drilling on the block had been pulled out of position in a storm, and it was too risky to continue. Mr. Hans Goksoyr, a director, said it was annoying but unavoidable to have to leave the field at this stage. Efforts would be concentrated on drawing up a drilling programme for the spring.

The committee studying the gas pipeline has already started work, under the chairmanship of a senior Oil Ministry official.

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Soviet call to boost forces

BY DAVID SATTER IN MOSCOW

THE SOVIET Defence Minister, Marshal Dmitri Ustinov, opened the annual Red Square military parade yesterday with a call to strengthen the Soviet Union's military might.

Stepping up further the propaganda campaign against the stationing of new U.S. missiles in Western Europe, Marshal Ustinov denounced "reactionary forces" in the West which were seeking military superiority over the Warsaw Pact.

He told troops gathering to mark the 62nd anniversary of the October Revolution that these forces in the West were using "lying propaganda" about a Soviet military threat to cover up their "dangerous plans."

Marshal Ustinov denounced them for opposing detente, striving to suppress national liberation movements and trying to interfere in the internal affairs of other countries.

President Leonid Brezhnev and other members of the ageing leadership attended the parade and only left the reviewing stand after an hour and 10 minutes in the sub-zero cold. Mr. Alexei Kosygin, the Prime Minister, was absent, apparently resting by the Black Sea.

The military parade featured drill units of the armed forces, the ultra-modern T-72 tank, self-propelled howitzers, armed personnel carriers, and batteries of old surface-to-air missiles.

Marshall Dmitri Ustinov, the Soviet Defence Minister, wants to increase Russia's military might.

Moscow playing for high stakes

BY ANTHONY ROBINSON, EAST EUROPEAN CORRESPONDENT

HE SOVIET propaganda achine in full cry is a ondrous sight. It has been mployed at full blast ever since resident Leonid Brezhnev unched what has become nown as his peace offensive in ast Berlin a month ago.

Since then, the message has een elaborated by Mr. Alexei Kosygin, the Prime Minister, larshal Dmitri Ustinov, the efence Minister, top military gures and a panoply of comentators both in the Soviet ress and in letters to and interiews with the Western Press.

The last time such a broadside as launched it successfully topped deployment of the eutron bomb. This time the takes are higher. The aim is prevent NATO installing U.S. edium-range ballistic and ruise missiles in Western urope.

Mr. Brezhnev offered to withraw unilaterally up to 20,000 roops and 1,000 tanks from East ermany, and to discuss reducon in the number of Soviet S-20 intermediate range misiles stationed in the western oviet Union.

Last weekend he called for immediate negotiations on his proposals, that is to say before the NATO ministerial meeting in December. This is expected to sanction the production and deployment, starting in 1983 of up to 108 Pershing 2 and 116 Cruise missiles with 572 nuclear warheads capable of hitting Soviet targets from NATO bases in Europe.

Soviet protestations that the SS-20 missiles are merely replacements for older generations and no not constitute any change in the balance are not accepted by the West. In fact, it is their deployment which has probably done most to awaken Western public opinion to the extensive modernisation of Warsaw Pact forces, and above all the momentum behind the Soviet arms programme.

What this all amounts to is a very worrying situation for Soviet military planners and the leadership generally. Not for the first time single-minded Soviet devotion to what it considers its legitimate defence in a hostile world appears to have created the very insecurity it is designed to remove.

The point is that the world as seen from Moscow is a very different place from that seen from Washington, Bonn or Peking. Western commentators have made much of the establishment of a Soviet bridgehead in the Caribbean through Cuba, the intervention of Cuba and other Warsaw Pact countries in Africa, the Vietnam-Soviet alliance and the general development of the Soviet navy's global capabilities.

But, as the Soviet Union surveys the world, it sees ranged against it a commercial, military and strategic combination which is vastly in excess of its own limited economic strength and military effort.

The combination of Western Europe and the U.S. in the West and Japan in the East represents an economic power house which is a source of unmatchable technological innovation and enjoys privileged access to the world's natural resources.

The rapprochement between China and the West has also strengthened Moscow's historic fears of encirclement. With frontiers stretching from Norway to the Pacific, it employs vast amounts of troops and equipment in policing its own territory against what it sees as a string of strategic bases and ocean-going fleets capable of striking anywhere and from virtually all points of the globe.

Seen in these terms, Mr. Brezhnev's latest proposals reflect a desire to take some of the enormous pressure off the Soviet economy and the Soviet state. As the ageing leadership prepares for the inevitable hand-over to a new generation, it appears to be signalling a desire to get negotiations started on a path which will give its successors more scope to fit the Soviet Union more comfortably into the difficult global conditions of the 1980s.

French air disputes reach peak today

By David White in Paris

HE RECENT series of disruptions at French airports reaches its peak today, with both air traffic controllers and Air France employees out on strike.

The State-owned carrier plans to maintain a minimum service. But the traffic controllers, action will prevent any take-offs from the main French airports between 9 am and 5.30 pm.

Similar action on Tuesday, and for a shorter period yesterday, caused long delays for many passengers, and flight cancellations.

The situation at an occupied engineering plant at Belfort, eastern France, threatened to become explosive last night as the deadline for police intervention drew close.

A conciliation board, grouping union and management representatives under a local government official, broke off talks at 4 am.

The unions, which have been jointly backing the occupation since late September, said that the company, Alsthom-Atlantique, refused to budge from its original proposals, which they had already rejected. The dispute is over pay and holiday entitlement.

Robert Mauthner adds: President Giscard d'Estaing yesterday threw cold water on French Press speculation that he was about to take spectacular political steps in an effort to calm the storm provoked by the suicide of M. Robert Boulin, the Labour Minister, last week.

In a statement issued after the weekly Cabinet meeting, the President said that a new Labour Minister would be nominated today, in succession to M. Boulin. But he gave no indication that any other Government changes would be made for the moment.

Bonn plans increased aerospace research

BY JONATHAN CARR IN BONN

WEST GERMANY is to spend DM 1.3bn (£330m) of federal funds between now and 1982 to step up research and technological development in the aerospace industry. Contributions from other sources, including the Laender (state) governments, are expected to raise this to DM1.7bn (£440m), roughly 40 per cent more than in the previous four years.

The Bonn Cabinet took its decision yesterday, three weeks later than expected. The delay was caused by Chancellor Helmut Schmidt's desire to learn more of the current state of merger talks in the West German aerospace industry.

The government spokesman underlined that there was no direct link between the release of federal funds and progress in the merger talks between Messerschmitt - Boelkow-Blohm (MBB) and VFW-Fokker, which have dragged on for several years.

However, the delay was widely interpreted as a warning to the industry to clear away the remaining obstacles quickly, not least because a good deal of public money is involved. The aerospace industry is privately controlled, despite large shareholdings by several states, but it is heavily dependent on government contracts.

Roughly half the DM 1.3bn will go to the civil sector, in particular to help improve the profitability of the Airbus passenger aircraft through reductions in weight and fuel consumption and increased economies in manufacture.

● The role of the Bundesbahn (Federal railway) will increase and that of road transport will undergo a relative decline under a 10-year investment programme approved yesterday by the Cabinet. The change in balance is caused mainly by energy and environmental considerations.

Herr Kurst Gschiedle, the Transport Minister, announced that DM 44bn (£11.5m) would be invested in the Bundesbahn between 1981 and 1990. The railways would thus receive nearly 30 per cent of all transport investment over this period

Euro-MPs threaten legal action on isoglucose

BY ELINOR GOODMAN IN STRASBOURG

THE EUROPEAN Parliament may shortly initiate an unprecedented suit against the European Council in the European Court of Justice over the legality of one of its regulations.

The Parliament's legal affairs committee is expected to ask MPs to approve the action when they meet in plenary session next week.

The move, a further example of the way in which the directly elected Parliament is trying to maximise its powers, is the latest twist in the saga of the Community's attempts to introduce a common régime for the sugar substitute isoglucose.

The argument, drafted by the legal affairs committee, is that the Council failed to carry out its legal obligation when drawing up the isoglucose regulations implemented on June 1.

The Court has already ruled that an earlier isoglucose regulation was void. But this would be the first time the Parliament had challenged the Council in Court. The earlier case against the old regulation was brought by aggrieved sugar producers.

What is in dispute is whether the Council fulfilled its obligation to consult Parliament when it asked for the opinion of MPs, or whether the Council was obliged to wait for a response.

Italian energy measures blocked

BY RUPERT CORNWELL IN ROME

THE ITALIAN Government's energy conservation package is in almost total shambles following sustained obstruction in Parliament. The main measures, including a rise in the price of petrol and other fuels, were issued on September 14 in the form of a decree law. This automatically lapses unless approved by Parliament within 60 days.

The episode is not just an embarrassing setback for the weak minority government of Prime Minister Francesco Cossiga, but an indication of the extent to which the country's institutional machinery fails any longer to function.

The main obstacles have been the 1,200 amendments tables by the Left-wing Radical party. Although it has only 3 per cent of the popular vote, it has repeatedly proved its ability to bring Parliament to a standstill.

The longstanding difficulty of persuading a multitude of parties, either in or supporting any government here, to agree on anything quickly, has long forced the Cabinet to rely on decree laws to push through important executive decisions.

The underlying reason for the chaoe in Parliament is the shift in decision-making away from the assembly to party's headquarters. Legislative paralysis has grown in step with the political deadlock at a national level.

Meanwhile, Italy's energy problems mount with the onset of winter.

Enel, the state electricity supply authority, has already drawn up plans for revolving 90-minute power cuts spread across 20 zones of the country, should demand outstrip supply during peak hours.

Moi seeks to consolidate his rule

BY QUENTIN PEEL IN NAIROBI

AFTER A HECTIC three-week election campaign, the voters of Kenya go to the polls today to choose a new Parliament.

The vigour of the contest and the bewildering number of candidates—more than 740 for 158 seats—has belied the fact that the election only concerns one political party in this de facto one-party state.

Instead of ideologies, it is personalities and parish-pump politics which are the issues. But in several contests, police have had to intervene to prevent serious clashes between rival personal followings within the ruling Kenya African National Union.

Behind the election, the third since Kenya's independence in 1963, lies the question of whether President Daniel arap Moi can successfully consolidate his position as the successor to President Jomo Kenyatta, who died little more than a year ago.

President Moi has used the opportunity of election year to tour the country, reinforcing widespread grassroots support which has become apparent since his remarkably painless succession to the grand old man of Kenyan nationalism. His motto has been one of deliberate ambiguity: "Nyayao," or "follow the footsteps," applying equally well to the footsteps of Kenyatta and to his own.

The election is seen as President Moi's opportunity to reinforce his position within the ruling party and to accomplish the final shake-up of the administration he inherited from his predecessor.

He has given his blessing to a number of close supporters, urging, with more or less success, that they should be returned unopposed. At the same time he has equally clearly withheld any endorsement of other candidates too closely associated with the previous regime, or who opposed his own succession.

Several big names of the Kenyatta era could well be defeated at the polls, including Mr. Mbiyu Koinange, the late President's Minister of State and closest confidant, and Mr. James Gichuru, the elderly Defence Minister.

In spite of President Moi's undoubted personal popularity, it is by no means certain that his personal endorsement will be enough to get all his protégés into the National Assembly.

One area where there is likely to be a strong challenge to Government men is in Luoland in the West, where the KANU leadership has banned Mr. Oginga Odinga, a former Vice-President, and four of his associates, from standing on the party ticket. The ban could well count against President Moi's supporters in the area and those candidates to whom Mr. Odinga gives his blessing could come out on top.

President Moi—grassroots support

The other notable feature of the campaign is the number of extremely wealthy businessmen, technocrats and former leading civil servants who are standing for the Assembly. In spite of a new law, limiting the election expenses of any candidate during the campaign to 40,000 shillings (£2,500), largesse in the form of free beer and food still counts for a great deal at the hustings.

Key fights in the election include that of Dr. Munyua Waiyaki, the Foreign Minister, fighting Mr. Andrew Ngumba, a leading businessman and Mayor of Nairobi, and Dr. Njoroge Mungai, former Foreign Minister and member of the Kenyatta family, fighting Mr. George Githii, former editor of The Nation newspaper.

Another Minister who could lose his seat is Dr. Julius Kiano, Minister of Water Affairs and a Moi loyalist, who faces Mr. Kenneth Matiba, wealthy businessman and former managing director of East African breweries.

With more than half the sitting MPs lacking absolute majorities in their constituencies, a considerable turnover is expected. The number of voters registered is 5.6m, out of some 7m potential voters, and a 75 per cent poll is expected.

S. Africa buys back gold

BY BERNARD SIMON IN JOHANNESBURG

SOUTH AFRICA'S Reserve Bank has repurchased, at an undisclosed price, a small portion of the gold which it sold to foreign banks in 1976 and 1977 under swap arrangements, according to a statement issued by the bank yesterday. The action follows similar repurchases earlier this year.

The swaps, totalling about 8m ounces of gold, were negotiated to tide the reserve bank over a shortage of foreign exchange at a time of heavy deficits on the balance of payments. There has since been a dramatic turn-round, and the current account surplus for this year is expected to be close to R3bn (£1.756bn).

The gold content of South Africa's foreign reserves amounted to just over 10m ounces at the end of last month, compared to 9.7m ounces in September. Valued at an average gold price of about $340 per ounce, the gold portion of the reserves was worth R2.86bn. Total foreign reserves stood at R3.527bn

Kuwaiti oil price increase

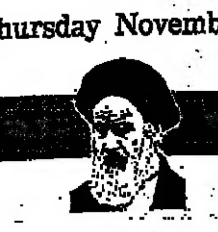
BY RICHARD JOHNS, MIDDLE EAST EDITOR

KUWAIT IS planning to raise the price of its crude oil to about $23 a barrel, according to the state's official news agency.

Such an increase would restore approximately what Kuwait regards as the traditional differential between its heavy crude and Iranian Light. But by implementing it Kuwait will overprice its oil in relation to Iraqi varieties shipped from the Gulf. Thus it will provoke another bout of leap-frogging.

Sheikh Ali Khalifa al-Sabah, Kuwaiti Minister of Oil, gave a warning last week that an increment would be imposed in the near future.

Kuwait's 10 per cent rise to $21.43 per barrel announced on October 10, provoked Iran and Iraq into adjusting their rates. However, the official selling price of $23.50, subsequently set for Iranian Light, left it over $2 more expensive than Kuwait's crude compared with the traditional disparity of 50 cents or so.



THE CRISIS IN IRAN

KHARG ISLAND TERMINAL

Vital link in world oil supplies

BY RAY DAFTER, ENERGY EDITOR

IRAN'S Kharg Island is one of the world's most important oil terminals. When it is operating normally the complex of pipelines, storage tanks and tanker berths handles well over 10 per cent of the Organisation of Petroleum Exporting Countries' total output.

In recent weeks it has been handling about 90 per cent of Iran's exports of 2.6m barrels a day—a flow of oil greater than the total output from the North Sea.

Kharg is capable of handling oil tankers of almost any size, serving almost any market. On one side of the island is a large "T" jetty with no less than 10 berths. These loading facilities can take ships ranging from 30,000 tonnes to 250,000 tonnes. Six can take ships of over 100,000 tonnes; three of 150,000 tonnes or more.

On the other side of the island, served by underwater pipelines, are four offshore loading berths, two—numbers 12 and 14—capable of accepting 300,000-tonne tankers and two—numbers 11 and 15—able to handle 500,000-tonne super tankers. There is no number 13 berth.

A few years ago Iran was producing oil at the rate of about 6m b/d—about a fifth of OPEC's total output. Since the revolution Iran's sustained production level has been down to between 3.3m b/d and 4.1m b/d—a sizeable drop from former levels but still enough to make a difference between a stable oil supply position and a serious worldwide energy shortage.

In recent months it has been difficult to track the ultimate destination of all Iran's exports

as so much of the output has been switched to the spot market. It is estimated that in the past few weeks as much as 1m b/d, or more than a third of the country's overseas sales have been diverted to the more lucrative spot market.

Earlier this year, in the April-June period, Iran was known to be selling some 600,000 b/d in smallish, spot lots. However, the level of these sales eased during the summer months.

Dr. Fereidum Fesharaki, a former energy adviser to Iran, has provided a welcome insight into Iran's sales policies.

In a paper circulated in the oil industry in late September, he showed that from a production level of around 4m b/d earlier this year, some 700,000 b/d was being used domestically. The rest, including 250,000 to 300,000 b/d of products from the Abadan refinery, was sent overseas.

Of these 3m b/d or so of exports about 2.8m b/d was sold under nine-month term contracts. The recipients of contracted crude oil and product supplies fell into four categories:

Twenty-one contracts with independent companies from Belgium, Switzerland, West Germany, France, the U.S. and Japan. (Total deliveries: 950,000 b/d.)

Six contracts with state oil companies from Romania, Brazil, Philippines, Finland, Portugal and Bangladesh. (Total deliveries: 270,000 b/d.)

Eight contracts with major international oil companies. (Total deliveries: 1m to 1.1m b/d.)

Twenty contracts with companies from India, Spain Sweden, West Germany, Sri Lanka, Italy and Eastern Europe. (Total deliveries: 700,000 b/d.)

Clearly these delivery levels have changed as Iran has reduced its total production to nearer 3.3m b/d in recent weeks. Furthermore, some of the traditional customers have seen their offtake cut back as Iran has switched more of its exports to the spot market, one the one hand, and poor Moslem countries on the other.

According to Dr. Fesharaki, the companies (and countries) that have been receiving the bulk of supplies, at least a month or so ago, are: Mitsubishi, Mitsui, Marubeni, C. Itoh and Co., Showa Oil, Idemitsu, Sumitomo, Daikyo Oil, Nissho-Iwai, Kanematsu-Gosho, Japan Lines, Nichimen, Kyodo, BP, CFP (France), Gulf Oil, Exxon, Caltex, Texaco, Charter, Mapco, Union Rheinische, Philippine National Oil, Portugal's Petrogal, Marc Rich, Bangladesh, Sun Oil, Marathon, Finland's Neste Oy, Petrofina, Romania's Petrol Export, Ashland, Amerada Hess, Brazil's Petrobras and Atlantic Richfield.

Britain, a long-time customer of Iran, is among those that could be quite seriously hit if Iranian exports are curtailed for any length of time. For, in spite of North Sea oil, Britain needs Iranian crude for refinery blending purposes.

'Wait and see,' at the IEA

By David White in Paris

THE INTERNATIONAL Energy Agency which groups 20 of the world's leading oil-consuming countries said last night that it was too early to tell how serious the impact of an Iranian oil supply cut-off would be.

Officials at the agency's headquarters in Paris said there were no immediate plans for an emergency meeting to discuss oil-sharing. Even if all Iranian supplies were cut, they said, this would not result in a shortfall of 7 per cent, the threshold which the IEA has set for bringing in a generalised oil-sharing scheme.

The IEA, which was set up after the 1973 oil crisis, provides for a series of emergency procedures. Members are expected to maintain emergency reserves equivalent to 70 days' supply.

They are also expected to have restraint programmes at the ready, to cut oil consumption by 7 per cent if supplies drop by that amount, or by 10 per cent if the shortage passes 12 per cent.

Provisions for sharing oil among members are triggered off when supplies fall 7 per cent below normal levels. This scheme has never been invoked.

U.S. oil industry can cope if consumers stay calm

BY IAN HARGREAVES IN NEW YORK

The U.S. is facing the possibility of another crisis in its oil supplies, with its stocks of petrol lower than at the last shortage and panic in May this year.

But stocks of heating oil are comfortably higher, because of a major stockpiling effort by the Administration and normal seasonal factors.

The feeling in the oil industry yesterday was that the country can cope with a severing of supplies from Iran, if consumers are not driven into the kind of panic buying typical on petrol station forecourts last spring. The oil companies say that as Iran counts for only 10 per cent of U.S. oil imports, and less than five per cent of its total consumption, a blockade specifically directed at the U.S. would not be too serious.

Extra supplies

Officials appear confident that it would be possible for the U.S. to find extra supplies of oil, albeit at higher prices on the world market. If Iran cuts supplies to the whole world, everyone here appears to agree that there will be chaos.

The stock market, which has been nervous all week about Iran, had wiped another six points of the Dow Jones industrial average by noon yesterday, having already lost 12 points in the first two days of trading this week.

For a time the index slipped below 800, its lowest level this year.

U.S. vulnerable

If a petrol crisis does occur, the market fears that the U.S. economy, already facing record interest rates, will prove much more vulnerable to the oil shortage than was the case earlier this year.

Petrol stocks at the end of October stood at 220m barrels, compared with 225m barrels on the eve of the spring shortage. Present stocks amount to just over 30 days' supply. Stocks of distillate, mainly used for heating, are running at 245m barrels, compared to 216m barrels at this time last year.

Stocks of other oil products, such as jet fuel and residual fuels, are at similar levels to those of a year ago.

David Buchan reports from Washington: Total oil imports from Iran into the U.S. have recently been running at between 700,000 and 750,000 barrels a day, Energy Department officials said in Washington yesterday. This amounts to about 9 per cent of the U.S. present level of imports.

About 350-400,000 b/d is exported direct to the U.S. in the form of crude, while a slightly smaller amount reaches the U.S. after it has been refined in Caribbean refineries.

A year ago, Iranian oil exports to the U.S. totalled some 900,000 b/d, when Iranian production was still about 5.8m b/d, compared to the present official Tehran production figure of 3.9m b/d.

Rationing plan

Congress has passed, and President Carter last week signed, an emergency petrol rationing standby plan, aimed at preventing a recurrence of the widespread chaos earlier this year, when Iran cut its oil exports to the U.S. to a trickle. In May, they were as low as 22,000 b/d.

The Rationing Act gives Mr. Carter power to allocate scarce supplies around the country, but only if oil supplies drop by 20 per cent or more below normal levels of consumption.

هكذا من الأجل

AMERICAN NEWS

Chrysler bankruptcy 'would cost Government $2.75bn'

BY IAN HARGREAVES IN NEW YORK

THE BANKRUPTCY of Chrysler Corporation would cost the Federal Government $2.75bn in the next two years, and cause 12 per cent unemployment in parts of the Midwest, Mr. William Miller, the Treasury Secretary, said yesterday.

Mr. Miller, who was defending the Treasury's proposed $1.5bn loan guarantee programme for the ailing motor company before a House subcommittee, said bankruptcy was inevitable without federal aid.

There was a "reasonable probability" that, given federal guarantees, Chrysler could be restored to health, Mr. Miller said, but it would be "imprudent" to guarantee success in the light of uncertainties over oil supplies.

A good deal of the discussion at yesterday's hearing turned on the question of employee stock participation in Chrysler, which Senator Russell Long has said will be a crucial factor in his decision on whether to support the measure.

Mr. Miller said he had no objections in principle to employee stock participation, but that care must be exercised to ensure that such participation was not funded by government money.

Such a plan, however, was one way for the company to set about raising the $1.5bn it has to produce independently of the loan guarantees.

Senator Long also warned that conditions must be inserted into the legislation to prevent existing Chrysler shareholders taking a windfall benefit from federal intervention in the company's affairs.

California votes for tax ceiling

By Maurice Irvine in Los Angeles

CALIFORNIA'S latest tax-cuting measure, Proposition 4, passed by a landslide on Tuesday in a special state election which showed a swing to the Right on almost every front.

Proposition 4, which will put a mandatory limit on government spending in California, and — according to its sponsors — save taxpayers some $6bn over the next three to four years was passed by well over 1m votes, a three to one margin. The measure will hold state and local government spending to bases of 1978-79 levels, and allow adjustments only for inflation and population growth.

California also gave overwhelming support to Proposition 1, which is aimed at eliminating mandatory school desegregation.

'Democratic rule' plan in Bolivia

LA PAZ — Colonel Alberto Natusch has agreed to rule Bolivia with a democratically elected Congress, but continues to refuse to surrender his six-day-old presidency.

Parliamentary officials said Congress now had to decide whether to agree to work with Col. Natusch, who seized power in a military coup last Thursday, or face the prospect of having Congress dissolved.

La Paz has become quiet after several days of clashes between opponents and supporters of the coup in which up to 50 people were killed.

The Bolivian Workers' Federation has called for the continuation of its five-day general strike.

Col. Natusch refused a proposal by Congress to have Sr. Oscar Bonifaz, a Parliamentary deputy, named interim president as a means of resolving the crisis.

Congress was divided over the offer. Several congressional factions left the parliamentry building to consult their leaders.
Reuter

FAA accuses Braniff of maintenance violations

BY OUR NEW YORK STAFF

BRANIFF AIRWAYS, the fast-growing independent U.S. airline, has been accused by the Federal Aviation Administration (FAA) of 1,500 violations of maintenance procedures, and faces a possible $1.5m fine.

Braniff, based in Dallas, Texas, vigorously denies the allegations and now has 20 days in which to contest the charges with the Administration.

The aviation authority said yesterday that the allegations stemmed from intensified surveillance of maintenance procedures since an American Airlines DC-10 crashed in Chicago in May.

The Administration believes the Chicago disaster, in which 273 died, was partly caused by faulty maintenance of the aircraft's engine assembly mounts.

It was "quite possible" that other airlines would face similar charges, the Administration said yesterday.

The accusations could not have come at a worse time for Braniff which, after a year of rapid expansion, is facing severe financial problems caused by rising costs from jet fuel and a recession forecast for the airline industry.

Braniff has just reported a pre-tax loss of $20.3m for the first nine months of 1979, offset by a $27.4m tax credit, to give a net earnings decline of 80 per cent. This compares with the $35.1m net profit it made in the first nine months of 1978.

The Administration's complaints about Braniff's maintenance practices include continuation of flights for many months with an unrepaired engine mount crack, inadequately maintained life rafts and escape hatches, and failure to keep proper maintenance records.

The maximum fine the Administration could impose for such a violation would be $1,000, indicating that it is alledging 1,500 separate violations by Braniff.

Jurek Martin in Boston reports on Senator Edward Kennedy's bid for the Presidency

Chappaquiddick in the way of a new Camelot

THE Wall Street Journal rarely sullies its pages with photographs. Yet there were four of them on Tuesday morning: one big, three little, all of them of a small-island off the coast of Massachusetts. They were firmly implanted in the middle of the leader column under a solemn heading: "Chappaquiddick and Credibility."

This was not merely a case of one American newspaper pulling out its big guns against a favourite target—someone suspected of not being a pure monetarist. Rather, it was symbolic of the great uncertainty lurking beneath the surface of the Presidential campaign formally opened here in Boston yesterday by Senator Edward Kennedy. Put simply, the question is whether or not the heir to the throne created by America's greatest post-war political family can lay to rest a ten-year-old ghost and assume the Presidency of the United States.

But for chappaquiddick, the task would not be insuperable, though far from easy. The Kennedy name is as indelibly associated with the quality of leadership as that of President Jimmy Carter is with lack of it.

The economy, the management of which the President must defend during next year's primaries, seems to be slithering into a recession of unfathomable depth and duration. The third candidate for the Democratic party's nomination, Governor Jerry Brown of California, is increasingly being dismissed as too "flaky" to be a legitimate pretender. And the opposition Republicans appear on the verge of their own bloody internecine warfare, thus negating any advantage the national swing to conservatism might give them.

Yet, precisely a year before the 1980 presidential election, only the ideologues and the foolhardy are predicting the outcome. In mid-summer it appeared that anybody, Republican or Democrat, could beat President Carter (with the exception of Governor Brown).

Lead shortened

Today every public opinion poll bar one, the New York Times-CBS survey, points to a sharp contraction of Senator Kennedy's huge lead over the President. Mr. Carter now even looks stronger than the Republican pack.

The tentative evidence is that Mr. Hamilton Jordan, the President's political wizard, was dead right when he said that once candidates came out into the open the public would concentrate more on their substantive merits and defects and less on their imagined qualities.

For Senator Kennedy, this is where Chappaquiddick comes in. There simply is not the great political divide between the President and the Senator.

They have differed on three important issues. Mr. Kennedy's proposals for a national health insurance scheme are more ambitious than Mr. Carter's, though the Senator has scaled down the grandiose plan he first proposed several years ago. Mr. Kennedy's liberal and regional north-east constituencies are traditionally opposed to the President's plans to lift oil price controls, and the Senator is against the President's plans to develop the MX missile system.

But Mr. Kennedy is nothing like as economically liberal as his reputation sugests, and is rather conservative on such matters as reforming the criminal code. And to describe Mr. Carter as a closet Republican hardly accords with reality in other than Left-wing circles. Campaign competition will paint both men into corners on foreign and domestic policy issues, but the inherent difference lies in character.

In 1969, on the weekend that man first landed on the moon, Senator Kennedy drove a car off the narrow dyke bridge on Chappaquiddick Island. His passenger, Miss Mary Jo Kopechne, member of a house party consisting mostly of friends of the late Senator Robert Kennedy, was killed.

The Senator claimed he was driving back to catch the last car ferry back to Martha's Vineyard but took the wrong road in the dark. He said he tried to rescue Miss Kopechne and even swam the channel between the islands and Martha's Vineyard.

But the key fact remains that it was 10 hours before the incident was reported to the authorities, and that this only done after some of the Kennedy family's most influential advisers were called in for consultation. The Senator was subsequently found guilty of leaving the scene of an accident, a misdemeanour.

TV interview

Countless books, articles and theories have been written about the whys and wherefores of that weekend. In an extraordinary television interview last Sunday night, Mr. Kennedy promised to answer all questions concerning it as they came up in the campaign. But he said the record was clear.

Speaking of the affair in a curious, disembodied and semi-inarticulate third person manner, he denied that his conduct (he called it "the conduct") then had impaired his ability to function since as an undeniably effective Senator, or would do so if he became President.

There ought to be sympathy for this view. But in the past decade the U.S. has become consumed with the sins of public figures, great and small. The Senator's great fault, it is argued, is that in a crisis, he panicked and had to be bailed out by intimates.

The Sunday television interview provided evidence of the great contrast between the hesitant private man and the impassioned, often magnificent orator he can be in public when he is well briefed and prepared.

The American media, which probably prefers him to any other candidate, is now almost honour-bound to probe the character of the man and, remorselessly, to ask the question: how would he perform in a global crisis as President?

For all his perceived faults, President Carter is at least seen as a man of some moral constancy, with a secure marriage (which the Senator, tragically, cannot claim) and a deep-rooted set of values. These may be somewhat derided in sophisticated Washington, but they count in the great heartland. They may even count more than 7 per cent unemployment and 15 per cent interest rates.

At this stage it is impossible to say to what extent Chappaquiddick and its implications will be the great equaliser in a Kennedy-Carter contest otherwise rendered unequal by economic problems. The organisation of both campaigns will clearly be a factor. At present, the advantage clearly belongs to the proven Carter team, especially now that Mr. Robert Strauss, with his incomparable political talents is formally on board.

But the Kennedys have always attracted the best and brightest, who are more than capable of making the most of every opportunity and of quickly adapting to the new rules of the electoral game.

The Carterites will claim that Mr. Kennedy is offering yesterday's big-spending solutions to today's more complex problems. The Kennedyites will say there is no substitute for uplifting leadership and the ability to work with all elements in the political spectrum.

Brown in contention

It should also not be forgotten that Governor Brown today declares his candidacy. It is a popular belief that he is being squeezed into oblivion by the two Titans. That judgment may be premature.

At the very least the amount of support he draws away from either Mr. Carter or Mr. Kennedy could determine who becomes the party's Presidential nominee.

The Democrats can console themselves with the fact they have only three contenders. At the last count, the Republicans were in double figures.

President Carter faces Senator Edward Kennedy, his challenger, as Senator Kennedy's wife, Joan, looks on. Below, Senator Kennedy (right) with his two brothers—John and Robert—a President and a Presidential contender.

Republicans lose two races for State governors

BY DAVID BUCHAN IN WASHINGTON

THE REPUBLICAN PARTY lost decisively yesterday in two of this year's three races for state governors, in Mississippi and Kentucky. In mayoral elections in eight of the country's 20 largest cities, the Republicans only unseated one Democrat, Mayor Dennis Kucinich of Cleveland.

The defeat of Mr. Kucinich ends his long feud with Cleveland's political and financial establishment over policies that have put the city in default on its loan repayments.

Another controversial city leader who disappears from the political scene is Mayor Frank Rizzo, of Philadelphia, whose term has ended and who will now be succeeded by Mr. William Green, a former Democratic Congressman.

Failure by the Republican Party to make any ground in the relatively few state and local elections held this autumn is not, however, a guide to the 1980 Presidential election outcome, exactly a year away.

An increasing number of U.S. voters "split their tickets" in a Presidential election year, voting for candidates of one party at a local or state level and for the candidate of the other party at the national level.

Republicans, who have held the White House for eight of the past 13 years, are more evenly matched with Democrats in presidential elections.

But Republicans have long smarted at their minority status in the U.S. Senate (where they hold 41 seats out of 100) and in the House of Representatives (157 seats out of 435).

Yesterday's election results in four states will have a bearing on the minority party's chances of improving its position in the Lower House on Capitol Hill.

Democrats yesterday retained control of State legislatures in New Jersey, Mississippi, Kentucky, and Virginia—important because State legislators will be redrawing and adjusting Congressional district boundaries on the basis of shifts of population shown up in the 1980 census.

Republicans still have a chance to win the governorship of Louisiana, which traditionally does not hold its final gubernatorial run-off poll until December 8.

Mr. David Treen, the Republican candidate, won a narrow victory in a first-round election last month against a bevy of Democrats, who however, are likely to unite their forces behind the one Democratic candidate going into the December 8 run-off.

The new Democratic governor of Kentucky is Mr. John Brown, who made extensive use of television to fight off the bid of Mr. Louie Nunn, a former Republican governor of the state.

In Mississippi, Mr. William Winter won the governorship on his third try, his first two attempts having largely failed because he was considered too moderate on the issue of race in the Deep South State.

Mr. Gil Carmichael, his opponent, who was considered a strong candidate, in fact polled a smaller number of votes than he had done against a Democrat in 1975.

Democratic strength at the local level in these two Southern States is by no means an indication that the 1980 democratic Presidential nominee can carry the South in next November's general election.

Southern democratics have increasingly tended to feel out of step with their national party's nominees and platforms, and have voted Republican at the national level.

In particular, Senator Edward Kennedy, who announced his candidacy in Boston yesterday, will have great difficulty in garnering support from generally conservative Democrats in the South.

Clark repels Liberal attack by two votes

BY VICTOR MACKIE IN OTTAWA

CANADA'S five-month-old minority Government survived its toughest political test so far on Tuesday night, beating off by a narrow 140 to 138 votes a Liberal no-confidence motion condemning it for mishandling energy matters and interest rates.

The Conservatives squeaked through with the help of the five MPs of the Social Credit Party. One Tory MP was absent — Mr. Paul Yewchuk, from Alberta.

Mr. Joe Clark's Government faces two federal by-elections on November 19. If the Conservatives win neither ceat their fate could be sealed, providing Mr. Pierre Trudeau, the Opposition leader continues his belligerent stance. But the Liberal's standing with the electorate does not appear to be high

Mr. Trudeau has come under severe criticism in the Press since Parliament opened last month for failing to provide energetic leadership of the Liberal Opposition group. There has been even speculation that if he continued adopting a low profile in Parliament, some Liberals would insist on finding a new leader.

Most of the Liberals oppose an early election as does the the New Democratic Party, the other opposition group. However, Mr. Trudeau is determined to flex his muscles as Opposition leader and to overcome criticism now heard in the country that he is fighting a "sham battle."

The New Democratic Party, under the leadership of Mr. Ed Broadbent, has scornfully dismissed Mr. Trudeau as a "lame duck" leader who is putting on a performance which, when the chips are down, would show he was bluffing.

The NDP is confident that if it appeared probable that the Government was to be defeated at this stage, the Liberals would keep a few members out of the voting lobbies. But this is a dangerous game if anyone gets their sums wrong.

All parties in the House privately say they do not want an election until next spring or summer. Campaigning in mid-winter in Canada is difficult.

Mr. Clark told the Commons during the debate on the confidence motion that, on Monday, he will meet the 10 provincial Premiers to discuss Federal energy policy and hoped to agree with them on how far to increase the domestic oil price.

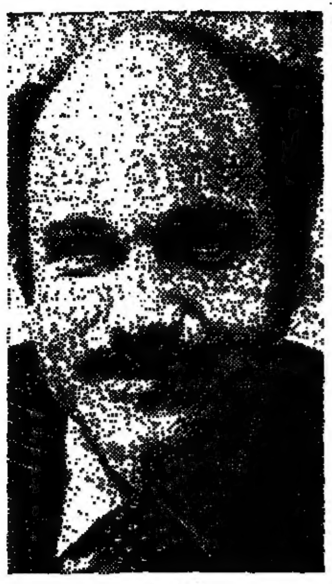
RANK XEROX IN EASTERN EUROPE

Tapping Communist copiers

BY ANTHONY ROBINSON

COMMUNIST COUNTRIES, with their traditions of secrecy, would seem barren ground for the sale of machines designed to spread information cheaply and easily—the office copier. Access to information is still one of the most tightly guarded privileges in many parts of the Communist bloc. Even the typewriter is viewed with suspicion.

But Communist regimes tend to be as bureaucratic as they are secretive. They use vast amounts of paper and secretarial staff. Office mechanisation is still primitive in many areas and it has been clear for years that business, Government and party require much more than the abacus and carbon paper to cope with the flood of paper. But they have not yet resolved the secrecy versus information dilemma—or produced an efficient office copier.



Ralph Land of Rank—one of a small band of UK-based Eastern trade experts

At which point—enter Rank Xerox. Over the last 15 years the Eastern export operations division, now headed by general manager Ralph Land, has built up a $30m business selling, and what is equally important, servicing copying machines throughout Eastern Europe. It is now poised for expansion in China.

Sales started in the mid-1960s when Rank-Xerox salesmen started getting approaches by potential Communist customers at exhibitions in Western Europe.

Since setting up its own Eastern export operations division in 1968 Rank Xerox has been one of the most faithful patrons of trade fairs throughout the Communist world and Mr. Ralph Land is one of a small band of UK based Eastern trade experts who pursues the market with dogged persistence.

The potential users of copiers are legion—but reaching them requires a marketing effort of considerable complexity. Apart from the obvious methods such as heavy advertising in the Communist trade Press, participation in catalogue exhibitions, and between 20 and 25 trade fairs annually, the company also runs its own fleet of three mobile trailers based in Vienna.

On a typical journey the mobile exhibition trailers are away from base three weeks on whistle stop tours of small industrial towns far away from the main cities. Such exhibitions and displays provide that access to the end-user whose absence is one of the main problems facing many companies involved in East-West trade.

Apart from this the company also spends heavily on more indirect promotion such as the recently announced sponsorship of the forthcoming London Symphony Orchestra tour of Moscow and Leningrad.

It is all part of the attempt to turn Rank Xerox into a household name in Eastern Europe. With this in mind it has also become an official supplier to the Moscow Olympics.

What is probably the most unique feature of the Rank-Xerox operation in Eastern Europe however is the unprecedented network of training schools and service centres created over the last 10 years. The first was set up in 1969 near Brno, Czechoslovakia in a converted farm which once ran a thriving side-line in coffins. The nine-man instruction staff are all Czechoslovaks. But the 2,200 mechanics who have passed through its doors since its creation include Nigerians, Egyptians, Greeks, Austrians, Swiss and British trainees as well as those from other East European countries, including the Soviet Union.

The network has spread widely since then. Poland and Romania set up their own training centres in Warsaw and Brasov respectively in 1973. The Soviet Union followed by setting up training centres in Moscow, Minsk and Alma Ata where Soviet technicians trained by the Czechoslovak teaching staff at Brno pass on their expertise to trainees from all over the Soviet Union.

Next month the Brasov training centre will be expanded from a national to an international training centre. Rank Xerox will pay hard currency to Romania for those trainees it sends in from its foreign subsidiaries and from other Comecon countries in the same way as it pays hard currency to the Brno school for similar services.

This training network costs Rank Xerox around £250,000 annually through rent and other charges, technical support and equipment. All the training schools are under the jurisdiction of their respective state agencies who also employ all the staff. Indirectly, however, much of the cost is borne by Rank Xerox itself.

It is a continuing investment which has given the company the ability to offer maintenance, repair and service facilities impossible to maintain on an expatriate staff basis and very difficult for its competitors to match. After nearly 15 years sales there are now over 7,000 machines installed in the Soviet Union alone, in areas thousands of miles apart. What is more the training of technicians by native teachers and the use of native technicians to service installations gets over the security and secrecy problems associated with copiers in these markets.

The typical Xerox copier in Eastern Europe does not just sit in an open office for general use. It stands in a special room, with a specific operator responsible for copying by specific authorisation. Under this system the machine also tends to be worked on average five times harder than its counterpart in the West.

Among the largest users appear to be the Lenin Library in Moscow, the Soviet equivalent of the U.S. Library of Congress and the Moscow Patent Office. Other big customers are the Soviet planning commission Gosplan, and its equivalents throughout the bloc, and major industrial complexes like the Togliattigrad car plant and the Soviet shipping organisation Morflot which has around 200 machines for its own exclusive use.

Outside Comecon itself Yugoslavia's unique self-management system has created a widespread demand. The Yugoslav system depends on workers being given the kind of information which enables them to participate in decisions on investment policy, pay and conditions and company policy generally. This involves countless hours of discussion—and the diffusion of information which the copier is ideally placed to satisfy.

There is little chance of Yugoslavia's maximum information system spreading beyond its borders. But as the labour market tightens throughout Eastern Europe the company sees a growing market for copiers and other aids to business efficiency. The principal limiting factor, as always, is the chronic shortage of hard currency. To cope with this Rank Xerox also uses the services of a full-time buy-back and compensation trade consultant to meet the demand for off-setting purchases as the price of further sales expansion. The potential for manufacturing or licensing in one or more East European countries is also under review.

It all adds up to a comprehensive, long-range marketing strategy. In terms of Rank Xerox total turnover, which exceeded $2bn in 1978, the $30m turnover expected from Eastern bloc sales this year is relatively small beer. But in East-West trade perseverance and a good reputation pay long-term dividends. With competition growing fast Rank Xerox hope that the 1980s will repay a decade of careful groundwork.

BSC win Indian contract

By Roy Hodson

THE BRITISH-built Durgapur steelworks in West Bengal is to be redeveloped under the direction of British Steel Corporation (Overseas Services).

The British Government is considering financing the work under the British aid programme to India and talks are now at an advanced stage.

British Steel has reached agreement with the Steel Authority of India on the scope of a development plan.

The cost of the project has not yet been estimated in any detail but as work on the development plan will be largely British-based the British process plant industry is hoping that a high proportion of the new hardware contracts will be awarded to British companies.

Durgapur which has a current output of just over 1m tonnes a year, was built by a consortium of British steel plant suppliers in the late 1950s. It was expanded in the mid-1960s.

The development plan will take about ten months to prepare. It will cover assessments of current operations at the works, recommendations for short-term improvements in output, an assessment of the quality of raw materials, and a technical appraisal of the alternative development possibilities.

Finally, a comprehensive financial and economic evaluation of the proposed development will be undertaken.

British Steel and Davy International, the leading British steel plant supplier, are also anxious to win the design and construction of a planned new £1bn integrated steelworks on an Indian coastal site. The plant would initially be of 1.3m tonnes capacity and eventually could be expanded to 3m tonnes.

● A two-day session of the Indo-EEC Joint Commission met earlier this week in New Delhi when the Indian side called for larger amounts of imports from India, AP-DJ reports.

Confidence in Philippine nuclear project weakens

BY DANIEL NELSON IN MANILA

THE ONCE remote thought that the Philippine Government might cancel its $1.1bn nuclear power station project is looming a bit larger following references by two cabinet ministers this week to just such a possibility.

Prior to this development, the Government of President Ferdinand Marcos had avoided any such discussion, although observers here have noticed a recent absence of any mention of nuclear power in recent ministerial statements on development of energy sources. This is made all the more significant because the week of December 2-9 has been set as Atomic Energy Week.

At the core of the growing problem is the project itself. It is the country's most spectacular nuclear development effort, and it is continuing to limp along behind schedule, with increasingly serious implications for the U.S.

Apart from an early skirmish over allegations of exhorbitant payments by Westinghouse to its local agent, most of the controversy has centred on the plant site—14 miles from an inactive volcano, 12 miles from an American base and 65 miles from the capital.

Because of these factors, initial site studies were undertaken by Ebasco Services and at the request of President Ferdinand Marcos, the international Atomic Energy Commission also studied volcanic and seismic risks, leading to a number of minor design changes.

But Washington still has not given the go-ahead for the export of the nuclear components. There is also an application pending for the initial fuel supply, which the Nuclear Regulatory Commission (NRC) insists on treating separately.

Frustrated by the construction programme slowdown caused by the non-shipment of key components, Westinghouse sued both the State Department (which in July, 1978, withdrew its original approval) and the NRC for "arbitrary and capricious" delays in issuing export licences.

In an out-of-court settlement the State Department said it would make its position known on September 28, at which time it ruled that there were no obstacles in terms of U.S. interests.

It also said that the plant met the criteria for President Carter's policy announced long after completion of the design for the Philippine plant—that overseas projects using American-supplied nuclear technology must receive environmental approval from Washington.

The NRC has proved harder to pin down, but has given April as the target date for its verdict. It seems inevitable that the Philippine application will be affected by this week's NRC decision to defer consideration of new licences in favour of a closer look at existing plants.

Supporters of the campaign for a nuclear-free Philippines are banking on an American "no." But many here echo the worlds of Mr. Charles Healey, project manager for Ebasco, which now acts as consultant to the Philippine National Power Corporation (NPC): "The Philippines has satisfied the U.S. on every issue on which it is obligated to do so. The decision on the safety of the plant should be a matter for the Philippine Government."

For that reason alone, a thumbs-down from the NRC would present Washington with a major political dilemma and sour relations with one of its main far East allies. It would also raise complex questions of contract and financial liability—the project received record Export-Import Bank credits of $648m (£310m).

It is possible that Marcos Government, should it tire of U.S. tardiness, could find ways to justify cancellation of the project "in the national interest."

But with $500m already spent, it could still proceed albeit at a slow pace, for when President Marcos instituted the inquiry he also halted construction pending its outcome, although work on non-nuclear sections has been resumed.

It is significant, at this point, that overall delay on the project is costing the power corporation 1m pesos (£65,746) per day in interest charges, and is complicating the management of the country's power generation programme.

Disruption to the power programme is politically and economically damaging, for unscheduled blackouts are already common.

Britain missing out on EEC development fund contracts

FINANCIAL TIMES REPORTER

BRITISH COMPANIES are getting a disproportionately small share of business, funded through the European Development Fund (EDF) in the developing countries of Africa, the Carribean and the Pacific, said Mr. Cecil Parkinson, Minister for Trade, yesterday. "This is one area of the EEC budget—and it is a substantial one—where there can be little excuse for us not getting a fair return," he said.

"Companies should compete harder and be much better prepared and informed to pick up this business. More than £3.5bn-worth of contracts will be available through the existing fund the new one negotiated under Lome 2 and the special financial arrangements with the countries of the Mashraq and Maghreb.

"Under the fourth EDF the British contributed over £300m—18.7 per cent of the total of £1.7bn. Of the £414m committed by the middle of this year, companies had secured only 9.2 per cent, while the French obtained 34.5 per cent, the Germans 19.5 per cent, and the Italians 19.1 per cent."

The second Lome Convention, signed last week between the EEC and 58 African, Caribbean and Pacific (ACP) countries, established a fifth European development fund through which aid, negotiated under Lome, can be channelled. Grants, loans and risk capital in the fourth EDF under Lome 1, were worth about £1.7bn for the five-year period up to March 1980. Of that more than £1bn remains to be committed.

Under the new EDF £2.38bn will be made available. With few exceptions, work and supply contracts funded through it must be placed with ACP or EEC firms.

Italians in $200m Iraq deal

BY RUPERT CORNWELL IN ROME

NUOVO PIGNONE, the energy engineering subsidiary of the state-owned Ente Nazionale Idrocarburi (ENI) has won a $200m contract to supply Iraq with a virtually complete gas processing system, including infrastructural equipment.

The final terms of the deal will be settled in the next few days during a visit by Sig Gianni Fogusi, Nuovo Pignones president to Baghdad. The new installations at Bassora in the south of the country include 40 compressors and 10 gas turbines. Work is scheduled to be completed by the beginning of 1982.

The contract represents a significant step forward for ENI's overall policy of securing additional guaranteed supplies of crude for Italy from oil producing nations, in return for delivery of plant and technology by its specialised subsidiaries.

This in turn is part of a strategy adopted by the group of arranging bilateral deals which by-pass the major international oil companies. In the last few months ENI chairman Sig. Giorgio Mazzanti has visited not only Iraq, but also other countries including Iran, Mexico and Libya in the pursuit of this policy.

Nuovo Pignone has also recently begun the delivery of compressor equipment to China under the terms of a licensing deal reached with the Peking Government.

Bids sought for Mideast plants

BY RAMI G. KHOURI IN AMMAN

THE Syrian-Jordanian Company for Industry, one of the more tangible results of the four-year-old economic integration and co-operation drive between Jordan and Syria, is pushing ahead with a series of new projects. All require substantial international consulting and contracting services.

This week, the Amman-based company has asked international consultants to bid for a contract to supervise construction of a projected 150,000 tons a year cement plant. The consultants would also evaluate the tenders for the construction work. Eight unnamed international contractors, from West Germany, France, Japan and Denmark, have already been shortlisted for the turn-key design and construction of the $40m plant.

The cement plant was originally planned with a capacity of 100,000 tons per year, which has been raised by 50 per cent due to the high quality of the locally available raw materials and the substantial export demand in nearby Arab states, particularly Kuwait.

The joint Syrian-Jordanian company has also added a fifth project to the list of five for which it has asked international consultants to bid. The new plant is for the production of sodium tri-poly-phosphate, though no details are yet available of its projected size.

The four other projects are for the production of children's educational toys, synthetic carpets, electrical fittings and food packaging for the catering industry.

Dead Sea potash project

BY OUR AMMAN CORRESPONDENT

JACOBS ENGINEERING of the U.S. has been awarded a $25m six year contract for the operation, supervision and technical training for the $425m potash project currently underway in Jordan along the south-eastern shores of the Dead Sea.

The project will be supervised by Jacobs' Dublin-based subsidiary, Jacobs International, which is already handling the consulting and design work for the potash plant, Jordan's biggest ever single industrial project.

The contract will take the project through until full production of 1.2m tons per year is reached in 1985 when it will be operated fully by the Amman-based Arab Potash Company. About 150 Jordanian engineers, foremen and operators will be trained by Jacobs, APC officials in Amman said.

Salvage cranes for Suez

HAMBURG: Blohm and Voss has received an order worth some DM 50m (£13.5m) for the delivery of two salvage cranes to the Suez Canal Authority, Reuter reports.

The company, which is 64.7 per cent owned by Thyssen and 12.5 per cent by Siemens, expects to deliver the first crane at the end of next year and the second early in 1981.

The purchase will be financed partly by a World Bank loan and partly through the W. German Government's shipyard export finance programme.

● Polibur Engineering has been awarded a contract valued at over £3.5m for two large cold stores in Egypt.

The contract calls for two complete turnkey plants involving design, construction, roads, drainage and operator training. The company says it was won in the face of intense international competition from around 75 companies.

PAL raises Airbus order to five

By Michael Donne

PHILIPPINE Airlines has raised its order for European Airbuses from two aircraft to five. The first two aircraft will be delivered in the next few weeks, while the remainder are expected to be delivered in 1981 or 1982.

The new order brings total Airbus firm orders to 250 with another 140 on option.

Meanwhile, De Havilland Aircraft of Canada is going ahead with plans to build a new "commuter airliner," the twin-engined, 32-36 seater DHC-8, formerly called the Dash X. The present plans call for a first flight of the aircraft in 1982, with deliveries early in 1984.

A feature of the aircraft will be its short take-off and landing (STOL) capability. It is seen as a rival to such other commuter airliners as the Short Brothers SD3-30, already in service, although it will be smaller than the British Aerospace BAe 146, now being developed.

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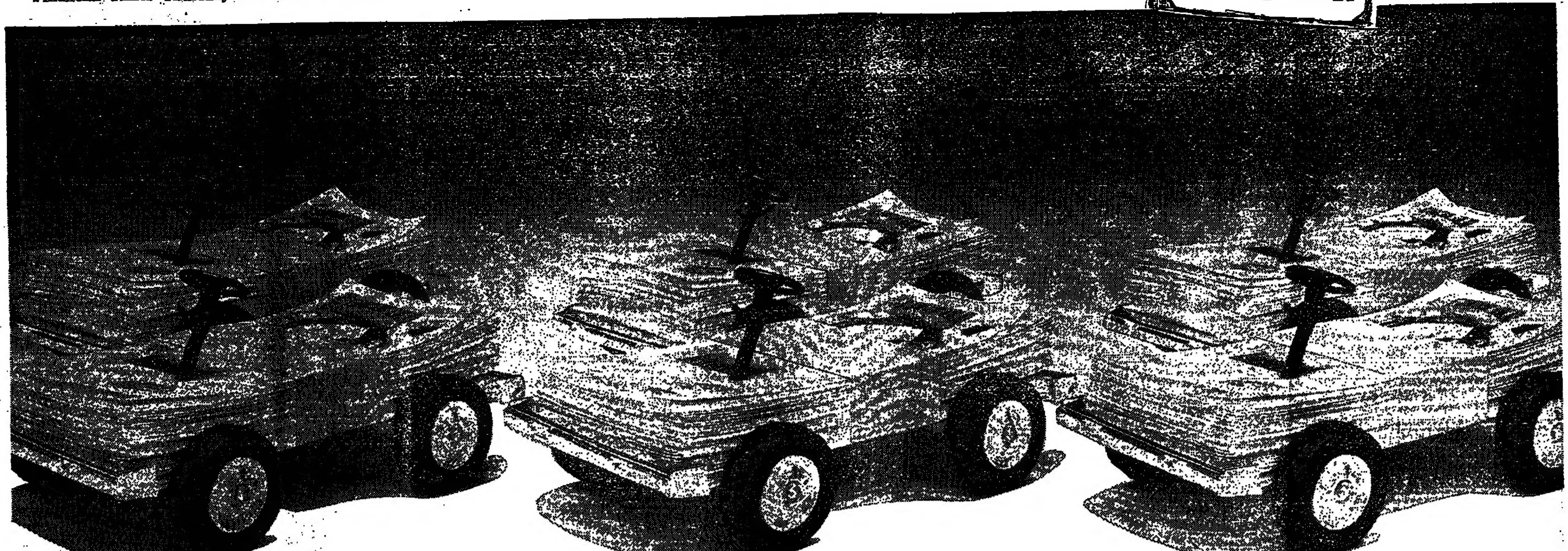

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LEASE THE BIGGEST FLEET ON DRY LAND.

Joseph blames industry managers

By John Elliott, Industrial Editor

BRITAIN'S "punch drunk and patchy management" was blamed yesterday by Sir Keith Joseph, Industry Secretary, for being partly responsible for the country's poor industrial performance.

Sir Keith also criticised trade unions and past Governments. He warned a meeting of the National Economic Development Council that "our continuing poor performance will turn entire sectors into industrial fossils."

It was "a miracle" how well industry performed considering the way it had been treated by Governments, management and unions.

"We have a punch drunk and patchy management, appalling unit labour costs, and low pay because of low output," Sir Keith said.

Prince Charles, who attended the meeting as part of his study of industry, said he had been impressed by some "excellent companies" he had visited in the past year.

The NEDC meeting was discussing the UK's declining position in world trade and its poor productivity. It echoed points raised at the Confederation of British Industry's conference this week, including the need to act against countries, such as Brazil which illegally blocked UK exports.

Sir Ray Pennock, CBI president-elect, stressed the need for increasing understanding about economic problems.

But no major initiatives were planned at the meeting, which also heard a call from the TUC for the Government to give more aid to the micro-electronics industry.

October boom speeds car industry to record year

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

THE UK motor trade now expects new car sales this year to reach record levels following a totally unexpected jump in registrations in October.

The Society of Motor Manufacturers and Traders expects sales to reach 1.7m in 1979, significantly ahead of the previous forecast of 1.67m which, in turn, would have topped the record 1.66m for 1973.

But the society has not changed its mind about next year and continues to forecast a sharp decline in new car registrations to about 1.5m.

Last month's registrations were 123,238, or 7 per cent above the same month last year—and October 1978 saw an 11 per cent increase on the previous year.

As a result, sales for the first 10 months of this year were 7.2 per cent ahead of the same period last year at 1,531,943.

The main factor in the October increase seems to have been that Ford had cars available, and fleet managers in particular were buying ahead of the expected price increase, which has just been implemented.

Ford captured more than 33 per cent of the October market and the first five places in the "top ten" table.

This was made possible to some extent because it operates on a Europe-wide basis. Demand for some Ford models in West Germany has been weak and this increased availability for the UK.

But the group believes it could have achieved even higher sales if it had been able to build more Fiestas, which remain in very short supply. This should be alleviated to some extent because part of the Cologne plant in West Germany was switched last week from Granada production to making 1,000 Fiestas a week.

In October Ford imported 55.55 per cent of the cars it had registered. Over the ten-month period the percentage was 51.

BL's performance in October was badly hit because it did not have enough of its more popular models, the Mini and the Allegro. The national engineering dispute and changes which had to be made for the introduction of Allegro 3 are blamed.

BL estimates that lack of product cost it a 4 per cent market share last month, and stocks of Minis and Allegros remain very low. Also the publicity surrounding the ballot about BL's future hit sales.

The top 10 best-selling cars in October were: 1, Ford Cortina (15,121); 2, Ford Escort (12,183); 3, Ford Capri (4,572); 4, Ford Fiesta (4,554); 5, Ford Granada (4,347); 6, Austin Morris Mini (4,281); 7, Vauxhall Cavalier (4,115); 8, Morris Marina (4,002); 9, Rover SD1 (3,303); 10, Austin Allegro (2,701).

UK CAR REGISTRATIONS

	October				Ten months ended October			
	1979	%	1978	%	1979	%	1978	%
Total UK produced	53,933	43.76	55,658	48.31	676,682	44.17	731,051	51.14
Total imported†	69,305	56.24	59,554	51.69	855,261	55.83	698,553	48.86
Total market	123,238	100.00	115,212	100.00	1,531,943	100.00	1,429,604	100.00
Ford*	40,799	33.11	21,564	18.72	428,665	27.98	376,039	26.30
BL*	20,884	16.95	29,055	25.22	307,200	20.05	328,002	22.94
PSA—Chrysler*	6,344	5.15	9,278	8.05	108,272	7.07	95,777	6.70
Citroen	2,826	2.29	2,957	2.57	30,564	2.00	28,105	1.97
Peugeot	2,342	1.90	2,490	2.16	33,976	2.22	26,907	1.88
Total PSA	11,512	9.34	14,725	12.78	172,812	11.29	150,789	10.55
General Motors—								
Vauxhall*	7,884	6.39	9,737	8.45	101,700	6.63	114,753	8.02
Opel	1,677	1.36	2,169	1.88	24,346	1.59	19,262	1.34
Other GM	124		51		1,130		760	
Total GM	9,685	7.86	11,957	10.38	127,176	8.30	134,775	9.43
Datsun	6,688	5.43	7,264	6.30	87,428	5.71	92,874	6.50
Renault	6,824	5.54	5,686	4.94	80,594	5.26	61,079	4.27
VW/Audi	5,891	4.78	4,432	3.85	67,685	4.42	55,172	3.86
Fiat	4,388	3.56	5,510	4.78	64,081	4.18	64,088	4.48

* Includes cars from companies' Continental associates which are not included in the total UK figures
† Includes imports from all sources, including cars from Continental associates of UK companies

Source: Society of Motor Manufacturers and Traders

Loans of £30m to aid job creation

By Roy Hodson

UP TO £30m is to be loaned at 6 pe rcent below British market rates to create new jobs in areas of high unemployment hit by mining and steelworks closures.

The Northamptonshire steel town of Corby, which yesterday was given Development Area status, is expected to become an important recipient of the cheap funds as new industries are established to offset the run-down in iron and steelmaking.

The money is being made available through a new £20m European Coal and Steel Community loan facility. The arrangement was completed in London yesterday to follow a £10m loan which has been fully allocated to British companies.

Signor Antonio Nicoletti, the director-general for credit and investments at the European Community, signed the contract which makes the City-financed Industrial and Commercial Finance Corporation (ICFC) agent to administer the loans.

The Government has acted quickly to give Corby the necessary Development Area status which will enable companies setting up there to be eligible for the ECSC money. British Steel told the unions last week that iron and steelmaking at Corby will end next March.

Similar Development Area status is also being considered for the Shotton district, North Wales. The steel unions expect to be told at a meeting with British Steel tomorrow that iron and steelmaking will end at the Shotton works early next year.

ICI plans to close polyethylene film plant at Stevenage

BY SUE CAMERON

IMPERIAL Chemical Industries plans to close its polyethylene film plant at Stevenage in Hertfordshire. The plant employs 340 people.

Yesterday the group told its Stevenage workforce the closure would be part of a two-year reorganisation of its polyethylene film business. All manufacturing was to be moved to ICI's other production site at Stockton-on-Tees.

The group stressed that it did not intend to declare any enforced redundancies. Extra jobs would be created at the Stockton plant, and attempts made to find jobs in the south for employees who did not want to move from Stevenage to Stockton.

Mr. Ron Jones, general manager, told employees yesterday it was "essential" to reduce the operating costs of the business.

ICI was manufacturing polyethylene film at two sites when it knew it only needed one. The economics of running the Stockton plant were "more favourable" than those at Stevenage. The group believed that if it were to continue operations on two sites "there would be serious risk of damage to the business overall."

ICI would not say exactly when the Stevenage plant would be shut but committed itself to full consultation with the 340 people employed there between now and 1982. Any changes or redeployment would be carried out "with the minimum of hardship and none if possible."

ICI's polyethylene film accounts for 7 per cent of the group's total UK plastics turnover. The plastics division employs a total of 10,100 people, which means that the numbers affected by the Stevenage closure represent only 3.5 per cent of the overall workforce.

Further investment

At present some 400 people are employed in the Stockton polyethylene film plant. It is thought likely there will be further investment there during the course of the reorganisation programme.

ICI's polyethylene film is used to make shrink wrapping film, pallet wrapping film and items such as heavy duty plastic sacks.

Oxford economist chosen by Bank of England

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

MR. JOHN FLEMMING of Oxford University, one of Britain's leading younger economists, will join the Bank of England as Special Economic Adviser.

The appointment continues the policy of Mr. Gordon Richardson, the Governor, of bringing distinguished outsiders into the Bank at a senior level.

Mr. Flemming has been its Fellow in Economics and Bursar of Nuffield College. He will join the Bank early next year although for the remainder of this academic year he will continue to fulfil some of his present academic responsibilities.

He spent a year in the Bank in 1975. Some of his work on real rates of return and profitability was subsequently published in the Bank's quarterly bulletin. He is best known for his work on inflation.

Mr. Fleming has been less involved in public debate about the economy than some prominent academics. But he has been a member of the Clare Group of economists whose discussions are published from time to time in the Midland Bank Review.

He was also among economists seriously considered by Treasury Ministers as a chief economic adviser, the post given to Prof. Terry Burns of the London Business School.

The Bank said yesterday that Mr. Flemming would "contribute to the general economic work of the Bank." His specific role has not yet been decided.

The appointment represents a further strengthening of the strong economics team which the Bank has built in the past few years. The Bank has brought in a number of leading outsiders such as Mr. Charles Goodhart, a key adviser on monetary policy, and Mr. David Walker, head of the Bank's Economic Intelligence Department, who joined from the Treasury two years ago.

Ladbroke 'plan to pay Irvine £¼m'

By James Bartholomew

LADBROKE was considering a £¼m pay-off to Mr. Gordon Irvine, former marketing director of Ladbroke's casino division, according to another director of the division, Knightsbridge Crown Court was told yesterday.

On the third day of the rehearing of Ladbroke Group's application for renewal of four casino club licences, Mrs. Janet Ballard, former personal assistant to Mr. Cyril Stein, chairman of Ladbroke, told of a conversation with Mr. Roger Withers, who took over from Mr. Irvine as marketing director.

"I asked him how serious the matters were, and would Gordon Irvine have to go? I said: 'It would cost them, wouldn't it?' and he said to me: 'Yes, it will. He will not be able to work for the rest of his life.'

"I said: 'Will they have to pay him?' and Mr. Withers replied: 'They are talking in the region of £¼m.'"

Mrs. Ballard said that in a conversation with Mr. Irvine she said that things had got "quite serious," and added: "Will you be the fall guy?"

"I joked with him by saying: 'Well, you won't get such good food inside as you do in the clubs.' He said: 'Let's not joke about it, it could well happen.'"

Later she added that Mr. Stein, the chairman, obviously would not have to "take the rap."

Mrs. Ballard said that on her return from treatment for cancer in America to attend the hearing before South Westminster magistrates in July she was rung by Mr. Michael Surridge, now a director of City and Provincial Gaming Holdings, the new holding company of Ladbroke casinos.

She asked Mr. Surridge what the problem was.

"And he said he wanted to know whether I was coming back for the hearing, because he wanted to brief his witnesses."

● Ladbroke Group companies have issued writs against both the BBC and Associated Newspapers Group. Ladbroke seeks to ban the BBC from publishing material which it claims tends to prejudice a fair trial. Ladbroke Group and Ladbroke Lottery claim damages for a Daily Mail article alleged to be defamatory.

Council sales 'may lift interest'

BY ANDREW TAYLOR

BUILDING SOCIETIES may have to raise mortgage rates further on top of the rise planned for January 1 if the Government expects societies to finance the bulk of council house sales, Mr. Stanley Walker, chief general manager of Leeds Permanent Building Society, said yesterday.

"If we are to be expected to provide the majority of mortgages for council house sales then I would expect societies to ask for the means to allow them to do this. I can see no real alternative but to raise rates," he said.

The possibility of raising extra cash from City institutions or from abroad were not viable alternatives to the movement's traditional method of fund raising from private investors, Mr. Walker said.

But it was far too early to talk about specific movements in the mortgage rate. "We still do not know what is going to happen to the Minimum Lending Rate."

No immediate move to raise mortgage rates above the 12.5 per cent planned for January 1 was likely even if MLR was to be increased further. "We would have to wait for the smoke to clear before reaching any decision."

But he was concerned that demand for mortgage money from council tenants would increase pressure on societies and further lengthen mortgage queues. "I believe that societies may be in for rather a lean time during the first few months of next year."

Mr. Walker's comments coincided with announcement of Leeds Permanent's annual figures for the year to September 30, 1979. These showed that total assets of the country's fourth largest building society have now reached £2.629bn compared with £2.239bn a year ago.

During the year the society lent a record £576m to around 48,000 borrowers. Total mortgages outstanding totalled £2.125bn to almost 307,000 families at the end of the year.

● Abbey National, the country's second largest building society, is pursuing its scheme to support council house sales by repaying local authorities in a series of annual instalments.

Mr. Clive Thornton, Abbey's chief general manager said: "The purchaser would repay the mortgage to us on the normal basis but the society instead of paying the full purchase price to the vendor would spread this over five years. This would enable us to fund that many more purchases in a single year.

"We would pay an interest rate of 10 per cent on the unpaid sum and the difference between that and the interest paid by the mortgagee would cover administrative costs."

Christie's takes $6.4m for Impressionists

SALEROOM

BY ANTONY THORNCROFT

NEW YORK continues to make the running in the art market. After the record prices for Surrealist paintings, Christie's achieved on Tuesday a total of $6.4m for its sale of Impressionist and modern paintings, with a particularly high price of $650,000 (£317,073) for a work by Monet, "Nymphéas," 1919. Cézanne's "Maison au Bord du Chemin" went for £219,512, while another Cézanne, "Paysage," fetched £146,341.

Other good prices were £126,829 for an early Monet, "Inondation à Giverny," and £97,560 for "Paysage Collioure," by Matisse.

In London Christie's sold travel and natural history books for £105,279. The five volumes of John Gould's "The Birds of Europe," with 448 hand-finished plates, sold for £16,500.

Sotheby's sale of Japanese works of arts was a disappointment. The top lots failed to find buyers. The best price was £4,500 for a Kakiemon dish of the late 17th century. At Phillips an early Meissen vase and cover, about 1730, sold for £3,000 to a German dealer. A rare early English taper stick of glass from about 1700 sold for £360.

The Warwick and Warwick stamp sale at Rugby totalled £267,115. A Falkland Islands 1925 centenary £1 black and carmine sold for a third more than its catalogue price at £2,000, while a 5s black and yellow-orange of 1933 made £1,300. At Christie's South Kensington frames from the studio of Sir Gerald Kelly sold for £4,605; an American pocket watch by Tiffany, £2,300; and a Dutch walnut and marquetry bureau £3,600. At Bonham's a watercolour by Michael Hayes of the Battle of Aliwal sold for £2,200.

Row likely over IRA filming

BY STEWART DALBY IN DUBLIN

A ROW between the Government and the BBC is likely to erupt because certain programmes are thought to have co-operated too closely with illegal terrorist organisations in Northern Ireland.

Acordinge to the usually reliable weekly Dublin newspaper Hiberia, a heavily armed Provisional IRA force recently sealed off the Co. Tyrone village of Carrickmore for more than two hours while being filmed by a crew from Panorama.

Yestreday the BBC confirmed that filming of IRA activity had taken place in the area. But the BBC denied that the village had ben sealed off, and claimed the filming lasted only 10 minutes.

The Dublin report, which was written by Mr. Ed Moloney, Hibernia's Northern Ireland correspondent, said that armed members of the Provisional IRA from various parts of Northern Ireland moved in to Carrickmore on October 17. They set up road blocks and patrols just one hour after a British army patrol had passed through.

It is thought that at least 25 Provisionals were involved, although some estimates put it as high as 100. Apparently shops, pubs and cars were searched during the operation by a 15-strong IRA patrol, while the rest of the force sealed off the village.

It seems quite possible that Mrs. Thatcher will feel moved to protest about the filming which, apart from the sequence on the Provisionals, apparently included interviews with former members of Provisional Sinn Fein (the political arm of the Provisional IRA) such as Mr. David O'Connell, Mr. Rory O'Brady and Mr. Sean MacStiofain.

State help urged for Britain's micro age

BY ELAINE WILLIAMS

A PLAN to help Britain improve its exploitation of micro-electronics is to be outlined in a report to the Cabinet Office.

The report, prepared by the Advisory Council for Applied Research and Development, will be presented to Sir Keith Joseph, Industry Secretary, shortly and will be published in the New Year.

Entitled "Technological change—threats and opportunities for the UK," the report is expected to contain 15 recommendations on steps Britain should take to use the technology successfully.

Among the recommendations are a call to strengthen research and development in British industry and a plea to the Government to take an active part in helping British companies attack overseas markets.

The report also underlines the importance of encouraging young children to take up science at school rather than leaving it until the university stage, when it is too late to influence choice.

The council believes that the National Economic Development Council should ensure that a strategy for technology is an integral part of its work; that there should be more training schemes for people in mid-career, with earnings-related benefits to encourage skilled workers to change occupations. It also underlines the importance of small businesses in achieving success.

The council originally hoped to cover all the social implications in the report, but lack of resources forced it to limit the aims of its third and final report on micro-electronics.

The first report on the applications of semiconductor technology, published in September, 1978, warned that Britain would join the ranks of the underdeveloped nations if micro-electronics was not quickly exploited.

The second report dealt with the encouragement of small businesses since they are better placed to take advantage of micro-electronics and generate a high number or new jobs.

Minister condemns apathy

FINANCIAL TIMES REPORTER

IN SPITE OF the Government's programme for micro-electronics, more than two-thirds of Britain's top 1,000 companies are failing to apply micro-electronics in their businesses.

Lord Trenchard, Secretary of State for Industry, said in London yesterday: "The lack of British micro-electronics applications is reinforcing the high productivity gap between the UK and our major competitors."

This explained why UK labour costs were so high while wage levels remained low. In 1978-79 unit labour costs increased at a rate of 10 per cent in the UK compared with 5 per cent in the U.S. and 3 per cent in West Germany. Japanese unit labour costs were declining at over 3 per cent.

There should be a determined effort by all in industry to improve competitiveness and save the many jobs at risk on top of those already lost, said Lord Trenchard.

Effective application of micro-electronics was the answer, although this would require a radical change in work habits and attitudes from the boardroom to the factory floor.

Lord Trenchard said: "There is a school of thought which looks upon both micro-electronics applications and the attainment of higher productivity as generating unemployment. Nothing could be further from the truth."

All the evidence pointed in the opposite direction. A survey carried out for the Department of Industry showed that 5 per cent of top companies had lost market share because of failure to adopt micro-electronics and another 9 per cent expected losses for the same reason.

Findings in the U.S. have shown that industry with the highest productivity had increased employment by 25 per cent, mostly in high technology areas.

Lord Trenchard also noted that 66 per cent of all new jobs were generated by companies employing fewer than 20 people. Many of the jobs had appeared as the result of the application of micro-electronics.

Cure for 'sickness' of UK industry

BY JASON CRISP

MANAGERS were given a plan to fight the "sickness" of British industry by Mr. Leslie Tolley, chairman of the British Institute of Management, speaking at the Sheffield branch of the Institute of Marketing last night.

He warned that one of the worst aspects of the illness of British manufacturing industry was that too few people acknowledged it was sick at all.

He told managers they should consider:—

- An open management style, with frank and prompt revelation of problems and successes, and with proper consultation before the event.
- Managers should examine their own attitudes and ensure that they are correct. They should not confront opposing ideas head on, but offer and explain more attractive alternatives.

MARKETS

- The best way to encourage people's commitment to a company was to demonstrate the company's commitment to them.
- Management must plan for world markets because the home market is not large enough.
- Professional management can open the door to its own ascendancy by insisting upon the best in product design and the full and efficient usage of all skills.
- New technology needs to be introduced earlier and faster than our international competitors.
- Management should show greater social understanding, co-operate with the State in education, and demonstrate its knowledge of the limitations of world energy resources.

Post Office Pension Fund backs small ventures aid

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

THE POST OFFICE Pension Fund joined yesterday with the Department of Industry to provide small amounts of venture capital. This is a fresh attempt to discover whether major financial institutions can help small businessmen.

It is one of three initiatives introduced by Mr. David Mitchell, the Industry Department's Minister for small businesses, as part of the Government's campaign to encourage entrepreneurs.

The Industry Department's small firms advisory service is being expanded, and the English Industrial Estates Corporation is to build 62 factories about the size of a double-garage for rent in Sunderland, Jarrow and Wirral.

The pension fund and the Estates Corporation are aiming at the smallest companies which have difficulty finding funds and workshops.

A pilot project has been launched by the pension fund and the department which will run for at least a year in East Anglia and the eastern home counties. It might involve investments totalling up to £1m.

The pension fund will provide capital from about £5,000 to £50,000 for projects vetted and monitored by the department's small firms counselling service.

The pension fund has already helped Equity Capital for Industry and the Industrial and Commercial Finance Corporation fund small and medium sized companies. But it had not offered packages as small as £5,000 until the Wilson Committee report identified a lack of start-up capital earlier this year.

Limits

"I would expect a considerable rate of failure in the projects that get chosen—we might for example have to bear a 30 per cent failure, like that reported by the ICFC," Mr. Ralph Quartano, the fund's chief executive, said yesterday.

There are no rigid upper and lower limits, although Mr. Quartano said he expected most to be £10,000 or more. Commercial rates of interest would be charged on loans, although equity might also be provided.

The Industry Department expects two cases worth funding to emerge each month.

The counselling service, which has 50 offices around the country run by businessmen volunteers, will vet applications and send financial appraisals to the pension fund. It will monitor progress and might appoint a director to a company receiving help.

This will save the pension fund the relatively high cost of appraisal and monitoring. In the past this expense has deterred many institutions from making the smallest financial arrangements.

The Department's counselling service is already involved in helping redundant shipyard workers who might want to set up businesses with their redundancy payments, and it will help find tenants for the new garage-sized units.

A study of the general availability of industrial premises between 500 and 2,000 sq ft is being carried out for the Department by Coopers and Lybrand.

North bids for more industry

BY ANTHONY MORETON, REGIONAL AFFAIRS EDITOR

A CAMPAIGN to attract more industry to the North of England has been launched by the North of England Development Council. Called Time to Grow, it is aimed at British and foreign companies, particularly those in Japan, the U.S. and Western Europe.

Mrs. Maureen Taylor, chairman of the council, said yesterday in London that the companies often overlooked the North's attractions.

Grants equal any elsewhere in Britain, office rents are considerably lower, labour relations good and transport congestion almost non-existent, she said.

The launch of Time to Grow has been divided into four parts. On Monday about 50 Japanese companies heard of the area's attractions and what the NEDC could do to help them.

On Tuesday an equal number of U.S. companies attended to be followed by West Europeans today.

Yesterday about 100 representatives of British business were wooed by Mrs. Taylor who told them that the North had good working and attractive living conditions.

Call for monetarist solution to inflation

By Peter Riddell, Economics Correspondent

A MEDIUM-TERM monetarist plan should be adopted by the Government immediately to achieve a permanent reduction in the inflation rate and to promote a sustained recovery from the coming recession, according to a group of economists at the Centre for Banking and International Finance of the City University.

The centre, which is headed by Professor Brian Griffiths, one of the country's most prominent monetarist economists, this morning publishes its first annual Monetary Review.

Its suggested monetarist plan has four points:

- The Government must not be seduced by rising unemployment or increasing interest rates into short-term reflationary measures.
- A medium-term programme of fiscal and monetary targets should be announced now.
- A monetary base system of control should be adopted in order to make the attainments of the targets easier and to render the targets more reliable as indicators of monetary growth.
- All exchange controls on capital outflows should be permanently removed.

The authors of the plan note that the exchange control proposal has been carried out and express the hope that the authorities have the courage to implement the other suggestions.

It is proposed that the targets should be for the annual rate of growth of the money stock, public sector borrowing, the level of government spending and marginal tax rates.

The plan envisages a decline in the target rate of growth of M1, the narrowly defined money supply, from 10 per cent in the current financial year to 8 per cent in 1980-81, 6 per cent in 1981-82 and 4 per cent in 1982-83.

The implications are explored by simulations of the UK part of the "Globesim2" economic econometric model of the economy developed at the Claremont Economics Institute in California.

The monetarist plan "slowly but surely reduces inflation to a single figure rate by the end of 1981 and permits a steady growth in real output after next year's recession."

By contrast, a return to the sort of stop-go policies instituted by the last Conservative Government would prove to be disastrous. Inflation would be permanently in double figures while output would fluctuate erratically around a zero growth trend.

Annual Monetary Review No. 1, £5.00, Centre for Banking and International Finance, the City University, Northampton Square, London, EC1 0HB.

Manx customs and excise document published

BY ANTHONY MORETON

THE GOVERNMENT yesterday published as a White Paper the agreement which authorises the Isle of Man to set up its own customs and excise service.

The official document was signed on October 15 by Mr. William Whitelaw, Home Secretary, and Mr. Percy Radcliffe, chairman of the Manx finance board. Yesterday's paper is a formal publication of what was agreed at last month's ceremony.

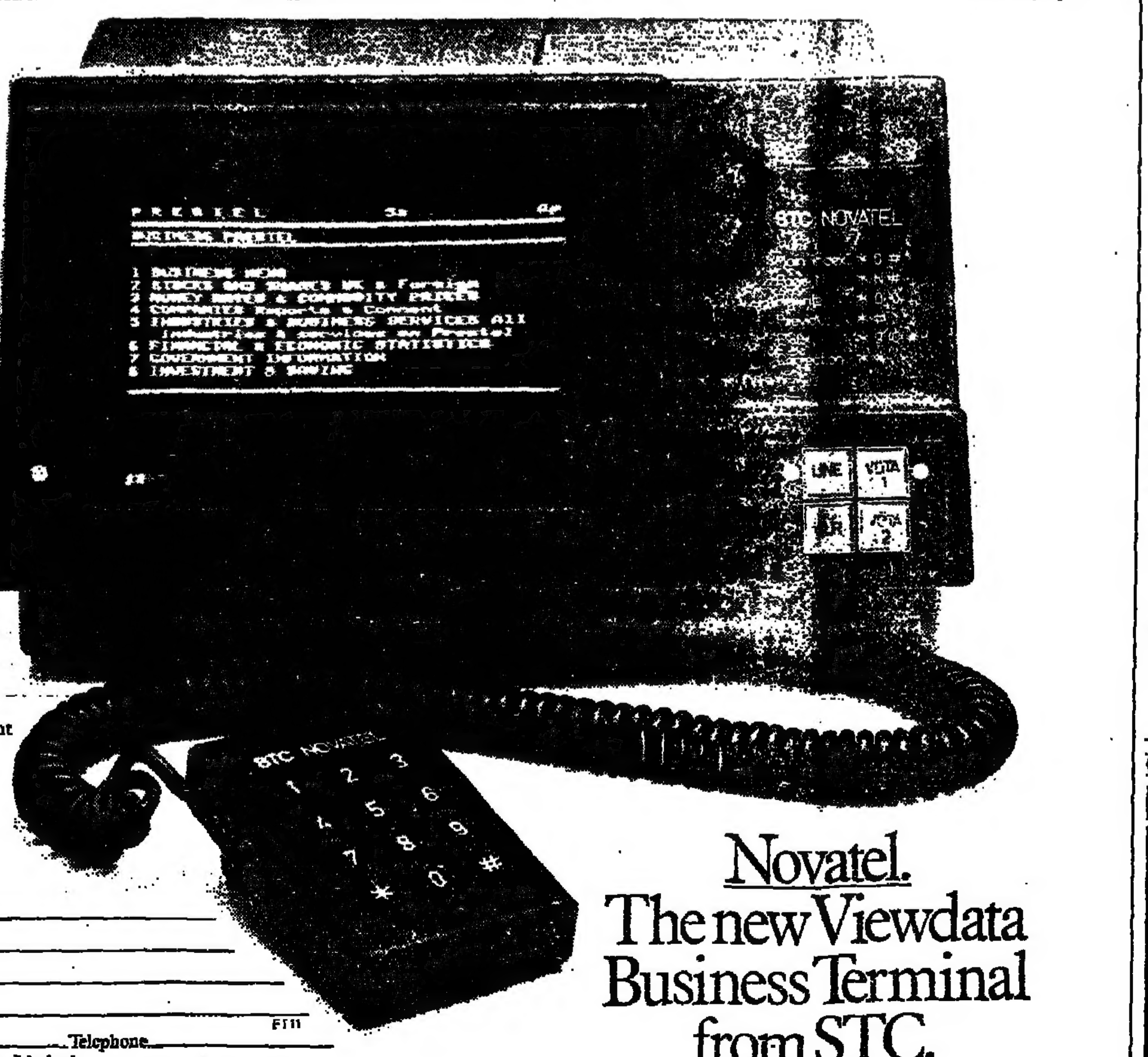
The Isle of Man has been concerned for some years that details of VAT by resident companies are inspected by the British customs and excise service and that all statistics go on to the British computer at Southend.

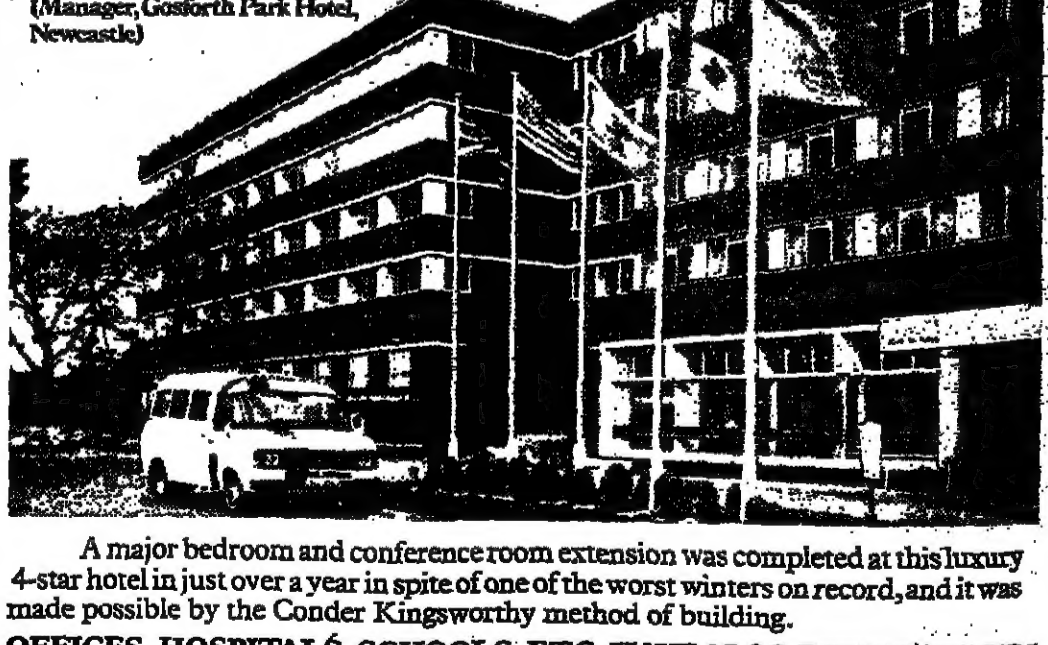
From April 1, 1980, revenue functions and associated control functions of customs and excise in the Isle of Man will be transferred to the government in Douglas. Legislation is to be introduced into Parliament in time to meet the date.

Customs and excise officials on the island will in future be Manx employees and all revenues collected will go to the Isle of Man Treasury.

The agreement provides that customs and excise rates will be kept at the same level in both countries. The Manx Government has the right under the agreement to alter rates, provided it gives three months' notice. It may also revoke the agreement if it gives six months' notice.

Agreement between the Governments of the UK and the Isle of Man on Customs and Excise and associated matters. Command 7747. SO; 50p.





NEW PLAN FOR MOSSMORRAN SITE IN FIFE

Esso Chemical may build £100m plastics plant

BY SUE CAMERON, CHEMICALS CORRESPONDENT

ESSO CHEMICAL is considering building a world-scale plastics material plant on its Mossmorran site in Fife at a cost of about £100m.

The company, which received permission to put up its long-planned £300m ethylene plant at Mossmorran in August, says the prospect of building its own plastics material plant there has been made more attractive by the rising cost of oil-based raw materials.

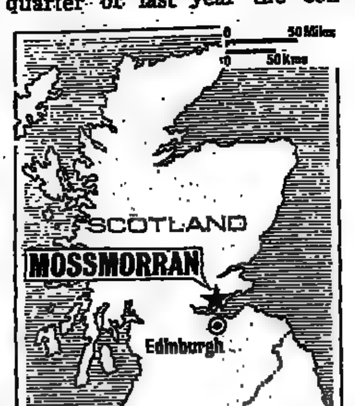
The original plan was to invite other chemical companies to build a plant there which would use Esso Chemical's ethylene as its raw material. This possibility has not been ruled out, and it is understood that two chemical groups are interested in building on the site.

Esso Chemical says no final decision about the construction of a plastics material plant will be taken until the middle of next year at the earliest. But market trends would seem to favour the company's plan.

Most of Europe's ethylene—the so-called building block of the chemical industry—is made from naphtha, a straw coloured liquid that comes from oil. But the raw material of Esso Chemical's 500,000 tonnes a year ethylene plant at Mossmorran will be gas. It will come from a gas separation plant being built on the site jointly by Shell and Esso. Gas will be fed to it from the Brent field in the North Sea.

Continuing uncertainty over world crude oil supplies, allied to the steadily rising price of oil and oil products, have given gas a considerable advantage over naphtha as a raw material for making ethylene. Under ordinary circumstances, when oil is in plentiful supply, gas is still a more efficient feedstock for ethylene production.

In the last year the price of naphtha has risen dramatically. At the start of the third quarter of last year the con-



tract price of naphthaa was about $130 a tonne, while on the spot market it cost about $145 a tonne. By July this year, the contract price was edging towards $300 a tonne, while the spot price touched $360 a tonne.

These increases have in turn helped to push up the prices of major plastics materials like LDPE. Whether polymer prices will remain comparatively strong is an open question, but there is no prospect of naphtha costs being reduced in the short term.

If Esso Chemical decided to build a plastics material plant of its own at Mossmorran, it could reap a double advantage from its highly economic feedstock and from reasonably strong product prices. The building of an LDPE plant would also help to enhance Esso Chemical's popularity among local people in Fife.

But as a result of recent discussions, Esso Chemical itself could be the first to build a downstream plant. The company is believed to be thinking in terms of a 100,000 tonnes a year, low density polyethylene (LDPE) plant, although it is also considering the production of high density polyethylene (HDPE). LDPE is normally used to make such things as plastic wrapping film, while HDPE is used for plastic bottles, buckets and other household items.

The planning battle over the entire Mossmorran project—the gas separation plant and the ethylene cracker—has been long and bitter. It has left Esso Chemical with a healthy respect for local protest groups. It is estimated that the delays they have caused may have cost the company as much as £25m.

The fight is not over yet. An appeal against the building of the ethylene plant is still to be heard. But the Government's decision to give the go-ahead for the ethylene plant, which came three months ago, has unleashed a spate of activity at Esso Chemical, with attempts being made to heal old wounds and clear up some of the wilder misapprehensions.

Since August, the company has held meetings with five local community councils, and it has taken part in two meetings with businessmen, both organised by Fife regional council. Esso believes that even some of those who were against the ethylene project on safety grounds are now beginning to change their views, especially as some of the more inaccurate rumours about the potential dangers have been dispelled.

In spite of the apparent strength of the objectors, many local people favour the development of Mossmorran because of the prosperity it will bring to a depressed area. Cowdenbeath, the town nearest the site, has an unemployment rate of 13.5 per cent.

Tax and prices index 'has risks'

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

SIR CLAUS MOSER, former head of the Government Statistical Service, said yesterday there were risks in setting the Government's new taxes and prices index against the retail prices index.

Sir Claus, who retired 11 years ago and is now vice-chairman of merchant banker N. M. Rothschild and Sons and chairman of the Economist Intelligence Unit, was making his presidential address to the Royal Statistical Society in London.

He said a difficult issue could arise if a Government wished to introduce a new measurement series purely for policy reasons.

"The statistician's stance will be one of caution. If the new series is proposed simply to reflect a particular Government policy, and makes no statistical sense, he will resist it. But, of course, a desirable change in a statistical system may come about for what will at first seem to be the wrong reasons."

Taxation

The new index could fall into this category, he said. The new taxes and prices index was introduced by the Government in August to show the impact of direct tax cuts as well as indirect tax increases.

"Looking at it from the outside I do feel some qualms. It is true that the retail prices index—quite properly—includes changes in indirect but not direct taxes and therefore fails to reflect the effect of recent Government taxation changes.

"That would make a good case for an annual or even quarterly analysis (along the lines of that already published by the Central Statistical Office) of the overall effects of taxation and price changes. I see more risk in setting a new monthly index alongside the retail prices index."

Sir Claus said that the retail prices index was technically one of the best consumer price indices in the world. He noted from experience in other countries that a battery of indices, or even two, could be used competitively.

"The arrival of the taxes and prices index carries this danger. It will be all too tempting to use the two indices in a competing manner with the effect that both may suffer, especially if (as is already happening) the taxes and prices index is subject to technical controversy. However, that is now past history. But one thing is clear; the index having arrived, it is here to stay, whatever direction taxation policy takes in the future."

Sir Claus announced that he was proposing to the Council of the Royal Statistical Society that it should take the lead in setting up a National Statistical Council. This "should give advice about issues of public statistics policy as well as priorities for statistical work, especially with outside users in mind. It would advise the Government Statistical Service, stimulate better dissemination and use of statistics and provide a high-level forum for the interchange of ideas between statisticians and users, including those in government."

He also commented that he saw "the coming decade as the quality decade in government statistics in which every possible effort will be made to minimise and detect errors throughout the statistical process; in which measures of accuracy will be developed wherever possible, so that in due course all major official series will be published with a quality label attached."

In his discussion of the role of government statisticians, Sir Claus said he could not emphasis strongly enough that a government's need for good data will be considerable, regardless of how it chooses to govern.

"The present government has made clear its policy to intervene less in a wide range of affairs, yet its need for a good statistical understanding of economic and social changes will be no less. The Government Statistical Service can and must provide satisfactory data to aid public monitoring and policy, however actively interventionist a particular government may choose to be."

Sir Claus highlighted sectors of economic statistics which he said demand improvement.

"Statistics of distribution and the service trades can do with further improvement. So, more urgently, can data on local authority and public corporation expenditure and borrowing. Statistics on profits, capital expenditure stocks and financial flows all need steady improvement.

"Invisible trade needs to be measured more adequately. There is much to be done in improving price statistics, an area of particular importance in inflationary times."

Sir Claus said the main challenges facing government statisticians in the years ahead were how:

- to go on improving economic and social statistics, and in particular improving the timeliness of key economic series and the interpretation of social statistics and indicators, if resources are increasingly tight.
- to develop ways of measuring accuracy and of assessing what accuracy is required for key series and accounts.

Analytical

- to build a system for establishing and implementing priorities to ensure flexible and overall response to changing needs.
- to develop the analytical and interpretative role of government statisticians.
- to recruit more applied statisticians with a subject matter rather than a technique orientation.
- to achieve a truly outward looking role of the Government Statistical Service towards the rest of the community as well as Government.
- to ensure that statistical integrity always wins the day.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1975=100); engineering orders (1975=100); retail sales volume, retail sales value (1971=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value	Unemployed	Vacs.
1978							
3rd qtr.	111.3	104.8	103	110.7	266.6	1,380	213
4th qtr.	110.3	103.2	111	111.7	273.0	1,340	230
1979							
1st qtr.	109.6	101.9	98	110.3	276.4	1,351	234
2nd qtr.	115.7	107.9	107	116.7	297.3	1,299	256
3rd qtr.				110.1	300.5	1,269	247
April	113.9	106.5	107	115.4	290.6	1,311	250
May	115.4	107.1	108	113.5	289.3	1,307	257
June	117.7	110.2	107	120.3	309.3	1,280	262
July	116.5	108.1	100	108.7	294.4	1,279	253
August	111.7	101.8		111.5	304.3	1,265	246
Sept.				110.0	302.3	1,264	243
Oct.						1,282	237

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1975=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1978							
2nd qtr.	107.9	98.0	122.2	99.7	106.3	101.3	27.1
3rd. qtr.	108.5	99.1	122.8	100.4	99.2	103.7	23.0
4th qtr.	106.1	96.9	124.0	97.0	98.9	102.4	20.2
1979							
1st qtr.	105.2	98.0	126.5	98.1	98.5	98.5	12.9
2nd qtr.	109.1	105.2	132.8	104.4	110.2	103.0	21.3
April	107.0	104.0	130.0	103.0	110.0	101.0	18.5
May	109.0	105.0	132.0	104.0	106.0	102.0	20.0
June	111.0	106.0	137.0	106.0	115.0	106.0	25.4
July	109.0	105.0	135.0	105.0	114.0	100.0	22.6
August	105.0	97.0	129.0	94.0	93.0	99.0	18.3
Sept.							21.2

†EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance; current balance (£bn); oil balance (£m); terms of trade (1975=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1976							
3rd qtr.	124.8	114.9	−0.4	+0.3	−501	106.1	16.55
4th qtr.	124.8	112.3	0.0	+0.6	−480	106.9	15.77
1979							
1st qtr.	110.0	118.0	−1.6	−1.2	−237	107.7	16.78
2nd qtr.	134.0	135.0	−1.1	−1.1	−210	108.0	21.69
3rd qtr.	133.0	128.0	−0.3	−0.3	−155	108.1	23.18
April	139.0	135.0	−0.3	−0.3	−114	108.9	21.47
May	134.0	137.0	−0.4	−0.4	−54	108.0	21.53
June	130.0	133.0	−0.3	−0.3	−42	107.1	22.07
July	134.0	127.0	0.0	0.0	−41	109.3	23.49
August	132.0	130.0	−0.1	−0.1	−123	108.2	23.30
Sept.	133.0	128.0	−0.1	−0.1	+9	105.9	22.75
Oct.							22.49

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£m); building societies' net inflow; HP, new credit; all seasonally adjusted. Minimum lending rate (end period).

	M1 %	M3 %	Bank advances %	DCE £m	BS inflow	HP lending	MLR %
1978							
3rd qtr.	17.2	8.1	4.2	+ 572	746	1,559	10
4th qtr.	5.1	5.8	4.2	+1,774	878	1,584	12½
1979							
1st qtr.	3.7	4.6	15.2	+1,524	777	1,583	13
2nd qtr.	9.7	8.3	13.4	+2,705	777	1,868	14
3rd qtr.	5.6	4.8	15.6	+2,413	933	1,879	14
May	6.7	4.0	9.9	+ 997	309	622	12
June	9.7	8.3	13.4	+ 885	125	680	14
July	10.0	6.9	15.8	+ 439	229	630	14
August	3.0	6.0	13.9	+1,051	293	634	14
Sept.	5.6	4.8	15.6	+ 923	411	615	14
Oct.							14

INFLATION—Indices of earnings (Jan. 1976=100): basic materials and fuels, wholesale prices of manufactured products (1975=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (Dec. 1971=100).

	Earnings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1978							
3rd qtr.	133.2	144.9	154.8	199.2	206.2	253.74	62.4
4th qtr.	136.4	147.1	157.3	202.6	208.0	257.69	62.7
1979							
1st qtr.	140.2	152.3	161.6	208.9	218.8	268.83	64.0
2nd qtr.	147.3	161.3	168.0	216.5	225.2	293.55	67.4
3rd qtr.		167.3	176.4	231.1	231.9	301.66	71.0
April	144.3	158.4	165.5	214.2	221.6	277.11	66.9
May	146.9	161.0	167.7	215.9	224.0	279.20	66.9
June	150.9	164.6	170.9	219.6	230.0	293.55	68.3
July	155.6	165.4	174.8	229.1	231.2	278.92	71.9
August	153.3	166.5	176.3	230.9	231.8	290.04	71.4
Sept.		169.9	178.2	233.2	232.6	301.06	69.8
Oct.		175.7	179.9			291.34	66.9

* Not seasonally adjusted. † Trade figures are quoted with less precision owing to industrial disputes.

UK NEWS—PARLIAMENT and POLITICS

Labour fury at Rhodesia Bill haste

BY IVOR OWEN

MINISTERS were accused by *Labour MPs last night of indulging* in a political and diplomatic manoeuvre in insisting that the Bill which will enable Rhodesia to be restored to *legality should be rushed* through all its stages in the Commons today.

Mr. James Callaghan, the Opposition leader, supported the *charge that the need to appease* Tory Right-wing MPs who are not prepared to vote for the renewal of sanctions for a further period and not a genuine emergency situation, was the real reason for the unusual haste being demanded by the Government.

Other Labour MPs argued that the speedy enactment of the legislation would also have the effect of presenting leaders of the Patriotic Front with an ultimatum — agree with the arrangements already proposed at the *Lancaster House conference* for the transitional period leading to new elections or be prepared to see the British Government issue an independence "blank cheque" to the Muzorewa Government.

Sir Ian Gilmour, Lord Privy Seal and chief Foreign Office spokesman in the Commons, denied these allegations and *reaffirmed* that the Government's "major objective" was to secure an independence agreement accepted by both the Muzorewa Government and the *Patriotic Front.*

But he refused to give an undertaking that the powers in the legislation—it will enable the Government to make the *independence* constitution, to introduce parts of it before independence to allow elections to be held, and to provide for the appointment of a British Governor with full powers—would not be used until an agreement with all the parties *had been achieved.*

To give such an undertaking, Sir Ian maintained, would be to confer a veto on one party or the other, and would be contrary to the agreement reached at the Commonwealth Conference in Lusaka and contrary *to common* sense.

"If you do that, you are never going to get any agreement at all," he said.

Sir Ian emphasised that the great bulk of sanctions, including those relating to direct trade and the transfer of funds, would continue because they were not dependent on the renewal of Section Two of the Southern Rhodesia Act 1965 introduced after the illegal declaration of independence by Mr. Ian Smith.

These sanctions would be lifted *as soon as Rhodesia* returned to legality with the appointment of a Governor and his arrival in Salisbury.

The enabling Bill would also include power to continue the sanctions under Section Two of the 1965 Act but given the position now reached in the Lancaster House negotiations the Government *found it* difficult to envisage circumstances in which this would be necessary.

Explaining the need to get the Bill through as quickly as possible he maintained that the timing of its introduction had been related to the *progress* of the Lancaster House conference.

"It is essential that the Governor should be in a position when, as we hope, agreement is reached to give effect to a settlement without delay and for elections to be held as soon *as possible.*"

He warned that any delay in putting a settlement into effect would cost further lives and could place the settlement itself at risk.

Mr. Peter Shore, Labour's Shadow Foreign Secretary, suggested that the progress so far at Lancaster House—and the arrangements for the ceasefire and other key issues had yet to be settled—could be endangered by the introduction of the Bill and the controversial debate likely to take place upon it.

He claimed that in reality the Government was making a "blatantly political move" not to assist progress at Lancaster House but to appease Tory backbenchers who were opposed to *the renewal of sanctions for a* further period.

Mr. Shore urged that the introduction of the *Bill should* be delayed at least until Monday of next week.

Sir Ian retorted that it was "quite erroneous" to suggest that the introduction of the Bill would not help the Lancaster House negotiations.

He was backed by Tory cheers when he insisted that circumstances had markedly changed since Section Two of the 1965 Act (due to expire on November 15) was renewed a year ago.

Proposals made by the Government at Lancaster House had been accepted by the Salisbury Government and to renew *Section Two would* be a "gratuitous insult" to Bishop Muzorewa and his colleagues.

Denying that the purpose of the enabling Bill was to provide the means of concluding a separate agreement with the *Salisbury* delegation, Sir Ian claimed that if the Government had had any such intention it would not have gone through nine weeks of negotiation at *Lancaster House.*

"This Bill, is to enable us to *bring peace to Rhodesia—and* it has nothing to do with a separate agreement."

Mr. Callaghan, supporting the views expressed earlier by Mr. Shore, underlined the danger that the Government's action, in appeasing its own backbenchers who were not prepared to vote for a renewal of sanctions would be misunderstood abroad.

One way out of the difficulty, he said, would be to renew Section Two of the 1965 Act for a month or some other limited period.

Freddie Mansfield

Demonstrators march towards Parliament to protest against the Government's public spending cuts. The march was organised by Lambeth Council, trade unionists and other organisations.

Mrs. Thatcher urged to 'protect brother hare'

A PLEA to Mrs. Margaret Thatcher, *the Prime Minister,* to support a measure to "protect brother hare" was made in the *Commons yesterday by Mr.* Kevin McNamara (Lab., Hull Central).

Launching yet another attempt to ban hare coursing, Mr. McNamara referred to Mrs. Thatcher's speech after her election victory, in which she quoted "*at great length*" *the patron* saint of animals, St. Francis of Assisi.

"This Bill is an attempt to prevent the continuing spectacle of a hare being used as a tug of war between two hounds to the horror of the animal and, I believe, to the horror of all decent people throughout the world."

He hoped Mrs. Thatcher would "protect brother hare," and, eventually, "brother stag."

Without a vote Mr. McNamara was given leave to introduce his Bill. But its chances of becoming law are not certain.

● In 1970 a Private Member's *Bill to ban hare coursing* got as far as a second reading, but it was lost when the general election was called. Since then there have been almost annual attempts to introduce legislation.

Union pledge on Hunterston

THE Transport and General Workers' Union has given an assurance that its request for the Hunterston ore terminal to be designated a dock scheme port *has no implications for other* ports, Mr. Patrick Mayhew, Employment Under-Secretary told the Commons last night.

The Government has already set in motion procedures for designating Hunterston a scheme port.

Mr. Mayhew said: "The unions concerned have assured me that they are concerned exclusively with the special circumstances of Hunterston and that their request has no implications for other ports."

Airey Neave's widow takes seat in Lords

Mr. Airey Neave's widow took her seat in the House of Lords yesterday as Baroness Airey of Abingdon.

Mr. Neave, who was the Tory Shadow Ulster Secretary in the last Parliament, was murdered by the IRA at the House of Commons on Friday, March 30, when his car blew up as he was leaving Westminster.

With her family looking on from the Stranger's Gallery and, with hands tightly clasped she read the oath of allegiance as she stood in her red ermine-trimmed robes.

Before going into the House of Lords, she said: "I am feeling very proud. Although *this is a marvellous moment for me,* it is also rather a sad one as well."

Her sponsors were Lord Thorneycroft, Tory Party chairman, and Baroness Young, vice-chairman, both close friends of her late husband.

In taking the title of Baroness Airey of Abingdon, she also marks her late husband's particularly close links with his former constituency of Abingdon.

Joseph rejects 'hypocrisy' charge on Corby closure

BY JOHN HUNT

SIR KEITH Joseph, the Industry Secretary, last night firmly rejected a Labour charge that the *Government was guilty of* "the height of hypocrisy" in declaring Corby a special development area eligible for State assistance.

The accusation was made by Mr. Dennis Skinner (Lab Bolsover), when Sir Keith announced *the Corby decision to the House* during a debate on an Opposition motion condemning the Government's *steel* policy.

Mr. Skinner wanted to know how Sir Keith could make such an apparent departure from the Tory policy of non-interference *in industry.*

He said the Secretary of State was talking about improving infrastructure and government intervention when only three months ago he had been saying that all regional aid and intervention was to be dismantled.

In the light of that he wanted to know why Sir Keith should now be listened to by the people of Corby, the Northants town where the British Steel Corporation is to close down its iron and steel making plant.

But Sir Keith told him that it was wrong *to assume that* the Government could move straight from the over-taxed over-subsidised and over-spent economy that had existed in this country for some time. He had never maintained that would happen.

"I held out the prospect of *less government intervention* but by a transitional route," he explained. "Our policy is to reduce regional incentives by one-third not to abolish them."

The intention was to take the incentive away from areas which could not justify them, and concentrate them on areas where they would have value. This is what was being done in the case of Corby.

Dealing with the Government's policy on steel *generally,* he said that if the subsidy towards BSC was not reduced then extra money would have to be found from elsewhere. That would mean destroying jobs in other industries in other parts of the country.

"The Government proposes *that next year the steel* industry will be helped by the taxpayer for its capital investment and related costs.

"We rely on the board of BSC to carry out their own proposals to operate at a profit during the next financial year, 1980-81."

Mr. John Silkin, the Labour Shadow Industry Secretary, asked Sir Keith about reports that the Treasruy was collating information from various Government Departments about the prospects for British industrial *performance between now and* 1983. These were currently being discussed with representatives of British employers, said Mr. Silkin.

He wanted to know whether it was true that production in the three big steel-consuming sectors—*motor* vehicles, mechanical engineering and metal goods—was predicted to fall by over 20 per cent by 1983.

This, said Mr. Silkin, was the first bitter instalment of a frightening bill the people of this country would have to pay *for electing a Conservative Government.*

"Announcements of further reductions across the breadth of British industry will come thick and fast," he said.

Sir Keith said that he did not know the answer to this question. But he would not be surprised if many jobs were put in danger as a result of indifference to unit labour costs by the British workforce and as a *result of lack of productivity* and incentives.

"If the workforce insists on being paid far more than the extra production they are producing then the inevitable logic is fewer jobs."

Opening the debate, Mr. *Silkin said the Government* should abandon the date of March 1980 for the BSC to break even. *He* suggested there should be a remodelling period of 10 years for the corporation

Fowler denies plans to axe BR services

By John Hunt, Parliamentary Correspondent

A PRESS report that British Rail is planning to cut 900 miles from its network and to close 41 passenger services as a result of the £22m reduction in passenger subsidies was strongly denied in the Commons yesterday by Mr. Norman Fowler, the Transport *Minister.*

Such a move would be a "disaster" he told MPs.

He confirmed, however, that on October 25 he had received *from Sir Peter Parker, chairman* of BR, a corporate review outlining options which included some cuts. At the same time he firmly emphasised that any such proposal could not go ahead without his authority.

Labour MPs expressed bitter opposition to any cuts and warned that if they were introduced the Labour Party would *fight them all the way.* There was concern also from Conservative MPs worried at the possibility of rural cuts and a further deterioration in the London commuter service.

Mr. Fowler said he was considering how best to safeguard and develop rural public transport. He was looking at the views of the Central Transport Consultative Committee on how best to maintain the existing rural network.

"But I have always made it clear that I can see no case for a *further* round of Beeching cuts."

Mr. Donald Anderson (Lab. Swansea East) asked if Mr. Fowler was saying that the press report was a complete fabrication and that he was unaware of what was being done behind his back by civil servants in his own department.

The Minister told him that he wanted to make it absolutely clear that the Press report was untrue and that he had read it with astonishment. There was no case for any round of massive cuts and he had no list of passenger services down for closure as suggested.

There had been no secret talks between his officials and *the Railway Board to discuss* a list of closures. He deplored the groundless anxiety caused by such reports.

Mr. Peter Snape (Lab., West Bromwich East) asked whether he would consider it a resigning matter if 900 miles of railway line were cut.

The Minister replied: "I would certainly consider it to be a disaster. That is why I have made it clear it is not the *Government's intention.*"

Mr. Albert Booth, shadow Transport Minister, wanted to know if the House could take it that British Railways would implement the £22m subsidy cut without any withdrawal of passenger services.

Mr. Fowler replied: "It is obviously a matter for British Rail as to how they live within the cash limit."

He emphasised that the proposals *for some cuts* included in the corporate review were only options.

If British Rail wanted to put forward suggestions for bus substitution on one or two services, then that was a matter for them.

● *British Rail said* after the Minister's statement that it was a matter for the Government to decide what transport policy it wanted it to pursue. "The policy at present, puts at risk a certain number of services. We have told the Government that we *gave the Department of Transport* a list of 40-odd loss-making services in 1975 and these are the areas that could be considered for closure."

But it said it was still discussing its corporate plan with the Department and considering *various other options* as to how the problem could be resolved.

● Railway union leaders reacted sharply to the suggestion that route mileages might be cut. In spite of Mr. Fowler's denials, the unions will press Ministers and British Rail at meetings over the next few weeks for details of any reductions.

The executive of the National *Union of Railwaymen will press* for further details at a meeting next week with Sir Peter Parker.

Mr. Sid Weighell, NUR general secretary, said his union had made it clear it would do all it could to oppose any reduction in passenger route mileage.

Labour Party fight 'threatens Britain'

TRADE UNION attempts to control the Labour Party through its national executive represent "a threat which goes to the very root of the *prospects* of Britain, and its *government* and constitution," Lord Thorneycroft, Conservative *Party chairman, said last night.*

Opening the Lords debate on problems and opportunities facing Britain, he said union leader Clive Jenkins had claimed recently "that the unions had provided a democratic alternative government *for the British people.* The unions provide nothing of the kind."

Lord Thorneycroft defended Government plans for "modest" trade union reforms on *ballot, closed* shop and picketing issues.

"*It would be* a very brave man who would attack them for going too far—the criticism they are likely to meet in the country is they are not going far enough," he said.

Lord Peart, Opposition leader in the Lords, said the Conservative Party chairman was living in a "world of fantasy."

The British trade union movement was "sound at heart" and *Lord Peart said* he was not going to attack it. He believed the "long winter of discontent" had "paved the way for the downfall of the Labour Government."

Drink driving reforms planned

THE GOVERNMENT is planning new legislation to reform drink driving laws, Mr. Norman Fowler, the Transport Minister announced yesterday.

He told the Commons he would shortly publish a consultation document to set out the Government's provisional views" on the Blennerhasset Committee on drinking and driving—which reported four years ago.

"Alcohol and drunk driving is a major cause of road accidents in this country. I believe it is encumbent on this *Government* to take action."

The Minister's statement came in response to criticisms from MPs on both sides of the House about the rising road death toll related to alcohol and the apparent ineffectiveness of the breathalyser.

Mr. David Penhaligon (Lib. Truro) reminded Mr. Fowler that 40 per cent of road deaths in Britain last year involved people who were over the alcohol limit.

Mr. Fowler also told the Commons that the Government is to review the totting-up procedure and fixed penalty system for dealing with motoring offences.

He said that the review—to be held *jointly* between his Ministry and the Home Office—would consider the replacement of the totting-up procedure by a points system, possibly on the West German or Australian models.

But he stressed that the Government did not intend to consider on-the-spot fines.

Mr. Fowler told Mr. Geoffrey Dickens (C. Huddersfield West) that *the review would be welcomed* by the police and particularly magistrates who were worried by the every-increasing burden of traffic offences on court work.

Mr. Fowler said later that the review would seek to improve and possibly *extend the fixed* penalty system to a wider range of offences.

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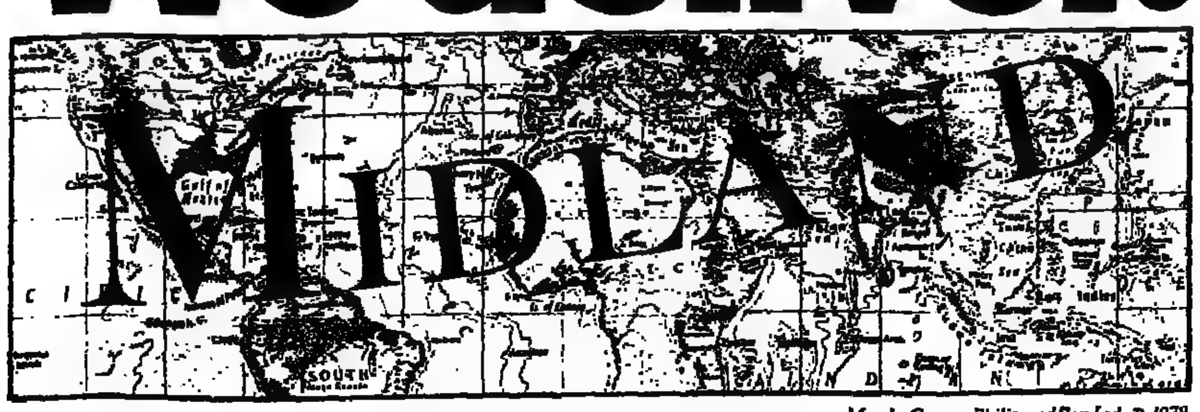

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Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● COMPONENTS

Air bearings offer simple solutions

HIGH-SPEED air bearings for use in air conditioning units are being developed by British Aerospace Dynamics Group, Hatfield.

Work has been carried out by the group's mechanical equipment and systems division using a bearing test rig and a demonstration cold air unit. Extensive testing has been completed, including over 10,000 start/stop cycles, on a bearing set with no apparent degradation in performance. A cold air unit embodying the air bearings is being built for prolonged testing in an aircraft under normal flying conditions.

Principal advantage of air bearings is their mechanical simplicity. Each consists of a cylindrical shaft running in a plain journal. The shaft runs on an air film which is self-generating, requiring no external pressure feed and no lubrication.

Critical are the accuracy of the surfaces, choice of materials, clearances and, most importantly, the method of mounting the bearing sleeve in the machine. Suitable choice of stiffness and damping of the bearing suspension has given satisfactory operation over the whole speed range including operation in the gas film instability condition known as "half speed whirl."

The demonstration cold air unit has a maximum speed of 50,000 rpm and a shaft diameter of 2 in. Development of smaller units with high rotational speeds is being actively pursued for applications in military and smaller civil aircraft. A thrust bearing operating on similar principles has also been developed to hold the cold air unit rotor in the correct axial position.

It is likely that cold air units with air bearings will be used increasingly in new aircraft types. Unlike conventional rolling bearings the air bearing requires no complex lubrication and sealing systems, giving improved reliability, reduced maintenance costs, weight saving and eliminating the risk of contamination of the air supply.

The development is based on work carried out over many years at the National Engineering Laboratory, East Kilbride which is associated with British Aerospace Dynamics Group in this project. The group itself has been developing air bearings for the past three years and the ground testing and evaluation carried out on the prototype bearings has proved the basic soundness and reliability of this design.

British Aerospace Dynamics Group, Manor Road, Hatfield, Hertfordshire. Hatfield 62300.

● MATERIALS

Sealant for automatic glazing

BOSTIK has developed a new sealant combining the characteristics required for glazing with suitability for automatic application.

The first opportunity for proving it in actual production came sooner than expected after some years of development when Scandiglas, of Toensberg, Norway, approached the company for help during the commissioning of new equipment for automatic production of double glazing units.

Scandiglas, with 38 employees, produces 520,000 sq metres of sealed glass units per annum and has about 30 per cent of the Norwegian market. It says that its recently commissioned plant is the most modern in Europe.

The production line and associated equipment was supplied by Glasmatec AG. It has six work stations, five of which are fully automatic except for loading and unloading at each end of the line. The glass is transported throughout on a roller conveyor and the final station is a freely programmable computer-controlled robot gun. This gun, which applies the sealant all round the edges of the assembled unit, is suitable for both double and triple glazed units—changing the head for switching from one to the other takes only seconds.

For such an applicator, the sealant must have a high extrusion rate, flow smoothly, fill all gaps and, once applied, it must not sag or run. At the same time, it must neither set so rapidly within the applicator that the equipment might clog, nor must it string out as the head is withdrawn from the workpiece, yet it must set rapidly enough for removal of the completed assembly from the worktable within the cycle time of the line, which is 25 seconds.

Scandiglas had tried conventional epoxy polysulphide sealants, but had found them unsatisfactory with this equipment. Bostik having only just completed the development of its 3180 Elastic sealant for exactly this type of operation, decided to put it immediately into full-scale production. The outcome has been a complete success. In addition to all the properties listed in the preceding paragraph, this new sealant is elastic at temperatures ranging from −30° to +60°C, resistant to ultra violet light, solvent-free and therefore cannot cloud the interior surfaces of the glass panes, and it will not allow moisture to permeate through.

Enquiries regarding the production equipment should be addressed to Glasmatec AG, CH-4922 Buetzberg, Switzerland, and for the adhesive 3180 to Bostik, Leicester LE4 6BW.

● DATA PROCESSING

Geest grows very fast

ORDERS have been placed by Geest Computer Services with Texas Instruments for processors and peripherals to meet customers' requirements up to November, 1980.

The orders will earn £1m for Geest making it an important source of turnkey equipment based on the TI990.

The majority of the equipment ordered is for customers of Geest Minicomputer Systems. Set up in May 1977, this group has grown rapidly, taking over £3m worth of orders in just over two years, all for TI equipment.

Orders for multiple systems have come from Hertz (Europe), Danish Bacon Company, Trust House Forte, Thomas Cook and Redland. During the year systems have been installed for clients in Holland, France and Spain.

Commercial software produced by GMS for the TI990 mini-computers includes the MINIMAS (minicomputer management accounting systems) suite of systems embracing sales, purchase and nominal ledgers and payroll. The on-line MANUMARK production control system is a development of the batch version, and PROMIS (property management information system) provides on-line computing facilities to estate agents to streamline their operations.

Geest Computer, White House Chambers, Spalding, Lincolnshire PE11 2AL. Spalding (0775) 61111.

● HANDLING

Big towing tractor

PREVIEWED AT the Invia Exhibition this week at Utrecht, Holland, is the T25M electric tow tractor from Ransomes Sims and Jefferies, Ipswich.

With a rated hauling capacity of 34 tonnes, the standard tractor has a laden speed of 5.3 km an hour and an unladen speed of 16 km an hour. Also available is a high speed version with a reduced hauling capacity but with laden and unladen speeds of 22.4 and 19.6 km per hour respectively.

Novel feature particularly for export markets, says the company, is the ease with which the tractor can be converted for left hand or right hand drive without the need for additional components.

● AUTOMATION

Process control venture

A NEW organisation, Bowthorpe Controls, has been set up as a division of Hellermann Deutsch (a Bowthorpe Holdings subsidiary) to enter the UK process control market.

Opening move of the new division will be to market equipment made by Control Logic of Durban, but there are definitive plans to manufacture the South African company's Conlog range in the UK later on.

Hellermann Deutsch's managing director George Stone makes it clear that there is no question of tackling the very big process control companies head on. The strategy will be to fill peripheral and interface product gaps and to offer a flexible approach to customers within an industrial market that is thought to be worth about £250m in the UK alone.

Hellermann Deutsch's main product base at the moment is in high quality connectors, although it has been carefully developing a fibre optics short haul communications presence and some of this may fit in with the process control venture in the future.

Keystone of the Conlog range is a series of analogue amplifiers for signal interface and trip functions. The trip amplifiers accept signals from the thermocouples, resistance thermometers, and millivolt ac and dc current sources. Relay trip output for high and low levels is provided, the set points being adjusted by means of vernier-calibrated and lockable ten-turn dials. Transmitting types (giving 4 to 20 mA for example) are also available, or the alarm and transmission functions can be combined.

Other items in the Conlog catalogue include alarm annunciators with up to 32 points, hardwired solid state logic systems, a loop isolator which introduces 1000 volts isolation into a standard 4 to 20 mA instrumentation loop, digital process indicators, and simple plug-in logic modules.

Products which it is planned to introduce later on include a maximum demand electrical supply management system, and a microprocessor-based machine controller. There are also plans for a miniature measuring instrument product range.

A number of motoring products made by Control Logic are also to be introduced soon, including electronic ignition and an engine speed-setting device to allow the driver to select a speed when on a motorway, permitting the foot to be removed from the accelerator—it has immediate manual over-ride. The company says it is examining marketing at three levels—the car maker, the retail supplier, and direct selling.

An advantage of all these products is that they have been sold successfully in a number of parts of the world already, including the U.S. The professional control devices were supplied in quantity to the giant SASOL project in South Africa which converts coal to oil.

Imberhorne Way, East Grinstead, West Sussex RH19 1RW (0342 21231).

● ELECTRONICS

Close check on state of engines

STEWART Automotive Equipment has redesigned its Robomatic Engine Control on the basis of solid state electronics.

Designed to protect all diesel, petrol and LP gas engines from seizure caused through oil or water problems, it can be fitted to trucks, buses, cars, boats and industrial engines.

Lack of oil, broken oil pipes, fractured sumps, blocked oil filters, sheared oil pumps and even dilution of the oil through a leaking fuel pipe in the rocker box cover can lead to the destruction of an engine. On the coolant side, broken fan belts, stuck thermostats, burst hoses or expansion tanks, blocked or damaged radiators or—most common of all—insufficient water in the radiator, all take their toll, resulting in considerable expense and costly downtime.

The Mk 4 solid state control box constantly monitors three different parameters — oil pressure, cylinder head temperature and water level. If any one deviates from its norm, the driver/operator is given a combined audible and visual warning showing this deviation and indicating that the engine will shut down in 35 seconds. After the engine has stopped it can only be restarted for a maximum of 35 seconds until such time as the fault has been rectified. Due to the design of the fuel solenoid valve, it is not necessary for the driver to vent the fuel system before starting the engine.

Continuous development and close co-operation with operators has led to many improvements. There are now six models to choose from. An "Indicator Only" model, suitable for all engines, gives audible and visual warnings on all three functions. Models incorporating the engine shut-down facility are available for petrol, diesel and LP Gas engines and there is a unit designed to work with existing fuel valve fitted to the Cummins engines.

Further data from Stewart Works, Sherbourne Drive, Windsor, Berkshire SL4 4AE. Windsor (075 35) 51650.

● AGRICULTURE

Controls the spraying

MICROCOMPUTER equipment which takes the guesswork out of crop spraying is to be introduced at the Royal Smithfield Show by E. Allman and Co., of Chichester, Sussex, together with another electronic development—the Jetchek portable nozzle tester.

The unit costs £850, but will, it is asserted, pay for itself very quickly because it prevents wastage of expensive chemicals—operators can expect spraying accuracy to within 2 per cent.

Genimec monitors all aspects of spray application. A "pick-up" wheel driven by a front wheel on the tractor and a flow meter are connected to a control box in the cab. This has a small screen and a calculator-style keyboard, and enables the operator to have a record of the area covered in acres or hectares, the quantity applied in gallons or litres, speed of the tractor, time worked, and averages for work and application rates.

This information covers the jobs in hand and, because the control box has a memory gives a complete record of previous work. It also enables the operator to check (by simply looking at a bar graph) whether he is "on target" in his speed of work and the quantity of liquid being applied.

The unit can be fitted to existing sprayers.

Allman is at Birdham Road, Chichester, Sussex. 0243 512511.

● POWER

Unit for tough operations

AVAILABLE FOR motor control, power supply and lighting control applications is a power module by GE (USA) embodying a high reliability packaging technique.

The unit can withstand a peak one-cycle non-repetitive surge current of 910 amps for a 50 Hz half-sine. Operating and storage temperature range is from −40 to 125 C.

"Hi-line W4DC55" is of dual cavity design. Its contact system has a ceramic substrate providing an electrically isolated mounting surface with semi-conductors located close to the copper base plate and a heat sink for cooler operation. The chamber containing the silicon controlled rectifiers is back-filled with a tightly controlled inert nitrogen atmosphere and together with a proprietary passivating material, contributes to added reliability. The upper chamber is epoxy-filled.

This design approach reduces mechanical stresses at the semi-conductor elements and provides high thermal cycling capability. The device can operate at higher power than its peers but with comparable reliability, and offers improved long-term reliability under normal operating conditions.

IGE New York, Dundalk, Ireland.

Maintains the supply

SMALL SHOPS, offices and factories can have complete protection from power cuts with a low output electric generating set introduced by Elco Power Plant, Bradford.

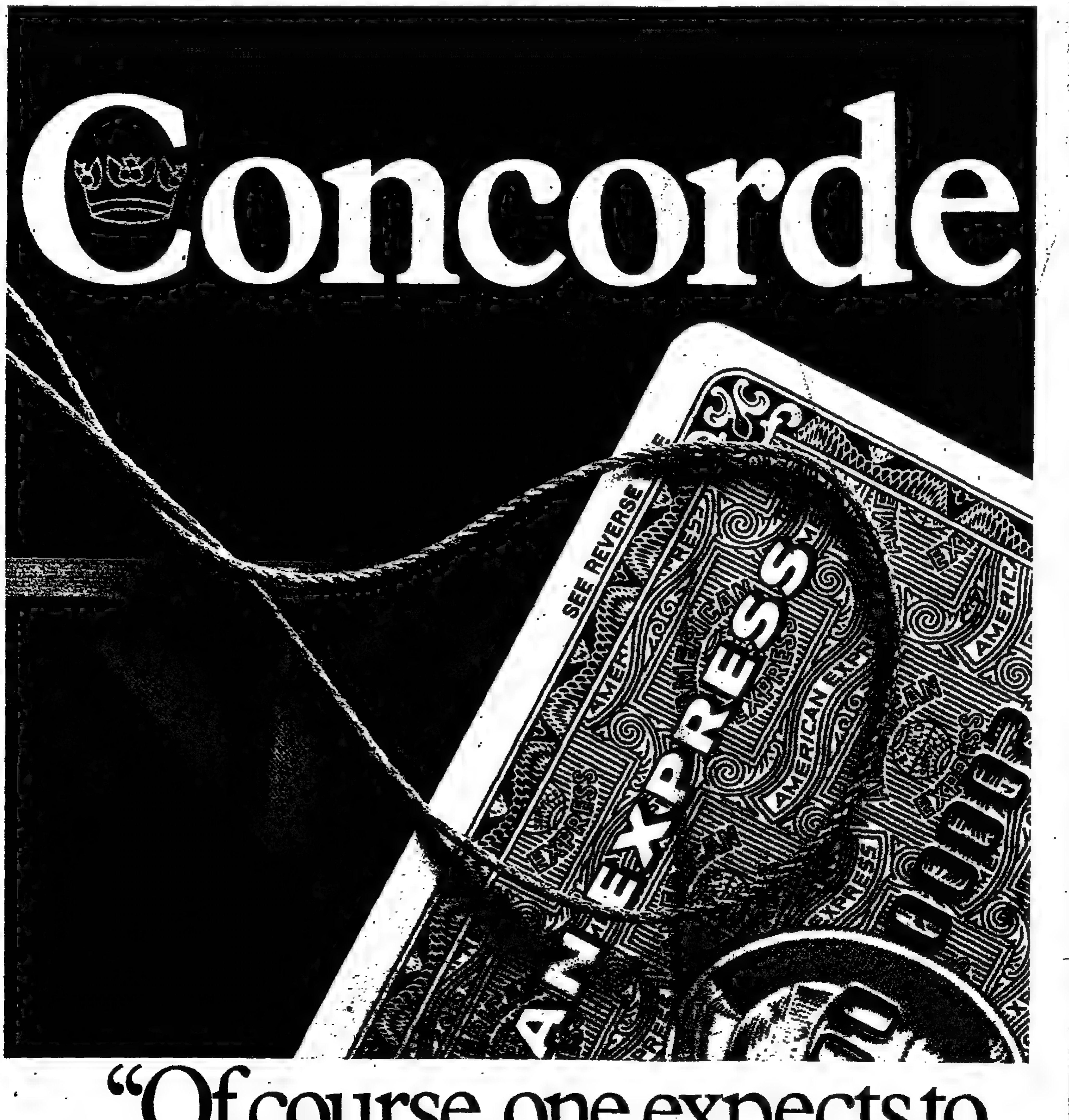
Designed for "no fuss" use, the unit operates automatically. In a power cut it starts up immediately and generates 4.0 kVA of electric power continuously until mains power returns, when the set switches itself off ready for the next emergency.

Installation is relatively simple. The generator is 100 cm long, 50 cm wide by 80 cm high and weighs 100 kg. Maintenance requirements are minimal and can be carried out by Elco engineers as a routine service if desired.

Components have been selected for their record of reliable operation. The power pack has a Petter AC1 air cooled diesel engine which drives a 4 kVA alternator to produce 230 volts single phase or 415/240 volts three phase. The pack is mounted on a strong baseframe fitted with anti-vibration mountings to ensure smooth operation.

Automatic operation is governed by a control panel which can be mounted either directly on the power pack or located as required. The panel has an ammeter (three for three-phase units), voltmeter, low oil pressure light with automatic cut out in case oil pressure drops, thermal and magnetic circuit breaker to switch off the power pack automatically in an overload or short circuit situation to prevent damage.

Elco operates from 0274 73554, Spencer Road, Bradford, Yorks, BD7 2LF.



No sex bias in pregnancy dismissal

Dismissing an employee because she is expecting a baby does not amount to sex discrimination because there is no male equivalent, to a pregnant woman, the Employment Appeal Tribunal ruled yesterday

The only legal redress open to women complaining of "pregnancy sacking" was to bring a case under Employment Protection Act.

By 2-1, the tribunal dismissed an appeal by shop assistant Mrs. Kim Turley, 20, of Ingrave Street, Battersea, London, against an industrial tribunal ruling that it could not hear her complaint unlawful sexdiscrimination.

Mrs. Turley had sought to complain tthat Allders Department Stores had dismissed her because she was pregnant. Her employer had said that she had been sacked because of continual lateness and poor performance.

The third tribunal member, Ms. Pat Smith, a trade union journal editor, disagreed.

"The provisions of the Sex Discrimination Act can be applied in a quite straightforward manner to this situation with simpler and fairer consequences," she said.

Pregnancy was a medical condition which would lead to a request for time off for the confinement—in the same way that a man would require time off to have his tonsils out.

The Employment Protection Act makes it illegal to sack a woman on the grounds of pregnancy.

Gormley averts coal pay crisis

BY CHRISTIAN TYLER, LABOUR EDITOR

A BREAKDOWN in the miners' pay *negotiations* was narrowly averted yesterday when Mr. Joe Gormley, the *moderate* president of the National Union of *Mineworkers, twice* used his casting vote on the union's *negotiating committee*.

The upshot of the second *round of negotiations* at the National Coal Board was that the union's executive will today be asked to accept the Board's *own proposals* for a gradual return to the November 1 pay anniversary date that the union has asked for.

Mr. Gormley should have little difficulty in getting the necessary endorsement today, since the moderates have a clear majority on the executive.

More money

The Coal Board made no advance yesterday on *its* outline offer of between 11 and *15 per cent. Mr. Gormley* again said that the £120m put on the table for basic rate increases was "completely unacceptable."

But although the board appears to have offered everything it has in the kitty, the NUM president seemed confident that more money can be found in the next session on Tuesday and that a peaceful settlement is in prospect.

Yesterday's talks brought the two sides one step closer together, however. The NUM negotiators, on Mr. Gormley's casting vote, accepted the idea of an interim increase for January and March, a 10-month deal to the following December, to be followed by another 10-month deal in 1981, ending on November 1.

The negotiators split seven-seven twice on resolutions *concerning the timetable*, with the Left insisting that the union go *for a November 1 deal this year*, in line with the conference demand.

At the conference, Right and Left united behind a pay claim of 30-65 per cent.

Constraints

Mr. Gormley said that the board has mad two concessions yesterday. One was to agree in principle that men forced by ill-health to take lower-paid jobs away from the coalface would maintain their earnings. The other was an early retirement *deal for surface workers* to follow that secured for men *underground*.

The board told the NUM yesterday that it was under serious financial constraints. It *could not raise prices to the* Central Electricity Generating Board above the rate of inflation, under the terms of its recent agreement with the CEGB, an d its sales to British Steel were threatened by the corporation's announced intention to double its imports of coking coal from Australia.

Nor could it afford to return to a November deal without putting an unbearable strain on its finances.

Lorry men to ballot on tachograph ban

BY NICK GARNETT, LABOUR STAFF

THE ISSUE of whether lorry-drivers should co-operate with the one-oday strikes were tachograph is to be put to a ballot of haulage drivers in the Transport and General Workers' Union.

A special road transport committee delegate conference decided yesterday to ballot drivers on whether they supported the group policy of opposition to the tachograph by industrial action.

Mr. Jack Ashwell, the *national* secretary, said that if the ballot went against the policy it would be taken by union leaders that drivers had accepted the tachograph vehicle and driver performance recorder.

That would not necessarily preclude productivity claims based on use of the tachograph. That was a separate question, *Mr. Ashwell said*.

If the ballot, which he said would be held in secret through branches, went in favour of the *group policy, this would commit* the union to industrial action.

Union officials indicated that such action would probably be more severe than the series of one-day strikes that the road transport group advised drivers to take against the tachograph.

This advice was shunned by the drivers, and the advice rescinded. That may indicate that there is little prospect of industrial action over the device, which is being introduced in lorries over 3.5 tonnes gross weight in a two-year phasing-in period from the end of this year.

Some union officials said that the one-day strikes were rejected in certain areas because the drivers did not think the proposed action was tough enough.

More than 220,000 drivers working in haulage will ballot, but *not those in* passenger transport or industries with their own sectional committee in the TGWU.

● Hull region of the Road Haulage Association has settled with its drivers on a deal increasing basic rates by 20.3 per cent, lifting the 40-hour rate for drivers of lorries over 18 tons carrying capacity from £64 to £77.

The deal includes an increase in overnight subsistence *allowance to £8.50*.

Northern Ireland region of *the association has settled on* an 18.75 per cent increase on *rates, giving a top 40-hour* basic £76.

ASTMS success at Wyeth

THE Association of Scientific, Technical and Managerial Staffs has won recognition for collective bargaining purposes for about 100 sales representatives employed by Wyeth Laboratories, the oral contraceptive manufacturer.

The union said yesterday that a ballot had produced an 83 per cent vote in favour of an agreement between ASTMS and the company. Wyeth had earlier refused to implement a recognition award in favour of ASTMS by the Advisory, Conciliation and Arbitration Service.

Burials halted

MORE THAN 5,000 Liverpool Corporation employees staged a token strike yesterday to protest at Government spending curbs which they fear will cause redundancies. Six cemeteries and two crematoria were closed.

Dockers' vote opens £100m ore terminal

BY RAY PERMAN, SCOTTISH CORRESPONDENT

BRITISH STEEL was *given* the go-ahead yesterday to bring the first bulk carrier into the £100m Hunterston ore terminal.

Dockers from the main Clyde ports of Glasgow, Greenock *and Ardrossan voted overwhelmingly* to accept an interim agreement to operate the port.

The *dispute between* dockers and steelworkers at *Hunterston*, *idle since its* completion last spring, was *settled last weekend*. Dockers will do all work on board ships, but steel corporation employees will operate the *unloading cranes*.

Wages and conditions for *dockers, including manning-levels*, have still to be *negotiated. Talks began yesterday* afternoon between the Transport and General Workers' Union and the Clyde Port Authority.

British Steel has an ore *carrier en route from Rotterdam* to the Clyde.

But the Ravenscraig steel works, which depends on *Hunterston for iron ore, may* still be closed temporarily at the end of the month while adequate ore supplies are stockpiled to ensure continuous production.

Closing plant's option

ONE THOUSAND workers at a Scottish factory making record *turntables face the* negotiated settlement for *closure of the plant or 90-*day redundancy notices.

Shop stewards at the McDonald Electric factory at East Kilbride, Lanarkshire, said yesterday they were given the option by Mr. Tom Shaw, industrial relations director for BSR, the factory's owners.

The stewards will draw up recommendations, and the *deal will be put to a mass* meeting of employees—*mainly women—at 2 pm* today.

Nurses decide against TUC

THE ANNUAL meeting of the Royal College of Nursing, which represents 150,000 nurses, voted at Birmingham yesterday not to seek TUC affiliation. Voting was 3,742 against, 2,849 for.

Vauxhall calls 1,500 to strikebound plant

BY PHILIP BASSETT, LABOUR STAFF

VAUXHALL MOTORS will *recall about 1,500* workers to its Ellesmere Port plant on *Merseyside today although 270* machine setters who are necessary *to a resumption of production* are still on strike over a *grading dispute*.

The company placed advertisements in local newspapers last night asking the workers to report today at their usual shift times. But the workers involved, mainly maintenance and service workers, are not concerned with direct production work.

The first move towards an eventual resumption of production at the plant, which has been stopped for more than 10 weeks by strikes against the company's 17 per cent pay package, was made yesterday when about 100 workers resumed work. They were mostly *boiler-house* workers, inter-plant drivers and production *control personnel*.

Representatives of the 270 setters, members of the Amalgamated Union of Engineering Workers, decided on Monday to remain on strike despite votes *last week by 8,000 production* staff to return to work.

They have since met the company and will report on the talks *to a further union meeting* on Monday. But Mr. John Lewis, a shop steward for the setters, said yesterday that nothing had changed and the setters were still on strike.

The company told the setters' representatives at the meeting that there would be no alterations to its offer and no further money. The offer has been accepted by virtually all the other groups within the company's three plants.

Local management invited the setters to return to work while any "necessary discussions" continued, though these are likely to centre on an acknowledgment by the company that the setters have a *problem of differentials and on* possible offers of solutions in *next year's pay settlement*.

Clegg pay award said to be worth only 4p

BY OUR LABOUR STAFF

RELATIVE EARNINGS of council manual workers with families rose only 4p a week after the Clegg comparability awards, the Low Pay Unit claims today.

It says disposable income rose by £3.39 a week, of which £2 was child benefit and £1.35 tax changes, leaving only 4p relative gain.

In a pamphlet called "Clegg: a hollow victory," the unit also says that these workers' earnings have declined steadily over *four years*, the *relative earnings* of men falling nearly 5 per cent against the *average for manual* employees, and those of women 10 per cent.

In April this year more than one in five full-timers earned less than £60 a week, when average male earnings were *over £100 a week*.

"Even after the award, most council workers with children will be on a basic rate which would entitle them to family income supplement. Many would be better off unemployed," the report says.

The council workers "won their battle for a pay rise,but lost the war over low pay."

The Government had said it did not intend council workers to have a pay rise this year that matched inflation. But unless it maintained the present wages the whole Clegg exercise was "a sham," says the report.

"It is an absurdity that the Government should pay its own employees wages which are so low that they have to be supplemented by state handouts."

Dispersal fight goes on

BY PHILIP BASSETT

SENIOR CIVIL servants were still actively opposing what was left of the Civil Service *plans* of dispersal to the regions, Mr. Campbell Christie, deputy general secretary of the Society of Civil and Public Servants, said yesterday.

The Government announced in July that it would cut the £300m dispersal programme, which would have moved about 30,000 jobs to the regions, by about 60 per cent.

Mr. Christie told a union conference on dispersal that senior civil servants particularly in the Ministry of Defence, had sought to undermine the programme. Staff were at work again to "sabotage" *what remained* after the Government announcement.

Mr. Ian Wrigglesworth, Opposition spokesman *on* the Civil Service, told the conference that the next Labour Government would reactivate the dispersal policy. He hoped it would then move more rapidly than under Labour from 1974 to 1979.

ICL training for disabled

BY ELAINE WILLIAMS

THE Manpower Services Commission *is setting up a scheme* to train severely disabled people to become computer *programmers*.

There have been *more* than 100 inquiries about the first of three 12-week *courses*, which will start in February. The courses are *funded through the* Training Opportunities Scheme run by the *commission which is* spending about £11m on careers in *computing* in addition to this project.

International Computers will share the running of the scheme, *taking 10 to 12* students at a time. The company will arrange *for trainees to visit local organisations* using ICL equipment.

Courses will be held at the Queen Elizabeth Training College in Leatherhead.

JOBS COLUMN, APPOINTMENTS

Practical enthusiast to lead rare venture

BY MICHAEL DIXON

"THEY MEET every month, much like the Board of directors of a normal building company," said Robin Sutcliffe.

"At one meeting they'll clobber me for taking a decision I should have passed to them; and at the next for doing the opposite. On some occasions, I'll get it both ways. At Christmas time, however, everybody's exceedingly nice to me."

The "they" in the case happen to be eight members of Mr. Sutcliffe's own workforce. And after the coming Christmas they'll neither compliment nor clobber him any more, because he is off to join his family's business in Yorkshire. So he has come to the Jobs Column in search of a successor as manager of one of the United Kingdom's more unusual concerns.

It was started about five years ago under a title which betrays that neurotic urge among bureaucrats to use terms which merely obscure any meaning they might have to the outside world. The concern is called PELAW. Spelling out this acronym does not do much to lighten the darkness. The letters stand for Partnership Experiment in Local Authority Works.

But what Robin Sutcliffe really manages is a workers' co-operative set up by the London borough of Haringey to compete both with the borough's normal direct workforce and with private companies for building contracts in Haringey's 7,490 acres to the north of London.

So far PELAW has been confined to refurbishing mainly the more dilapidated of the borough council's 22,000 houses, bungalows and flats. But the co-operative now has ambitions to start extending into new building projects which surely signifies that PELAW, although still officially an experiment, is a largely successful one. Another sign is that, having begun with only seven employees, the co-operative now has 100.

For about a third of the design-and-build projects which Mr. Sutcliffe's concern undertakes, it has to compete with all-comers for contracts put out to tender by the council in the normal way. These "won" contracts set the basic rates for the remaining two-thirds of the co-operative's programmes, which are negotiated with the local authority.

Last financial year these won and negotiated contracts, with extra charges for extra work as per usual, gave PELAW a turnover of roughly £680,000. Of this, around £25,000 was distributed among the co-operative's workers as "profit shares" at a standard rate regardless of rank, and based on the hours each person put in. A further £6,250 or thereabouts was retained by the council as an agreed "buffer fund" to help to compensate the local authority in the case of projects where PELAW's costs exceed the contract price.

As things turned out last year, the buffer fund did not cover the whole of such losses, with the result that the council's normal funds had to subsidise the co-operative to the tune of some £12,000. But that sum was apparently small enough to convince the council that the experiment was working well enough to continue.

Thus it is to the council — through the borough engineer and surveyor Ray Stephens — that the PELAW manager is responsible for the overall success of the venture. The co-operative is therefore not strictly worker-controlled.

But it is worker-guided. Its 100 partners elect the team of about eight of their number to whom the manager is internally responsible with, as Robin Sutcliffe said, distinctly gratifying results at least once a year. "They meet as a Board, discussing details of the contracts which we're considering that month, how the workload is going, future policy and so on," he added.

The aim of the venture was, of course, to show that a local authority could get work done efficiently and to a high standard by giving all the people doing it both a stake and an appropriate say in the running of their employing organisation. In general this aim is evidently being fulfilled, especially by the removal of the demarcation lines limiting different kinds of worker to particular types of work, which so widely hamper efficiency in the building and other industries.

Under the manager, general foreman, depot administrator, and a senior estimator who is also emerging as a financial controller, the cooperative's workers are divided into four groups. Each group has its own designer, estimator, and foreman plus some 20 more or less skilled operatives. All are members of their appropriate trades union.

"But the informal agreement is that, since we can't afford heavy supervision, it's the responsibility of each person to keep himself or herself working. So if there's a gap in the work for the electrician, say, he'll go off and help to dig a drain or suchlike. It's quite staggering, really."

It is also a "very challenging" task for the manager, Mr. Sutcliffe said. For one thing, keeping the democratic principle working in practice requires continual attention. Obtaining and maintaining agreement between the different designers, estimators and foremen calls for "active leadership, I suppose, although expressed in a compassionate way." Moreover, various managerial acrobatics are needed to maintain productive relations with the local authority's other departments.

"One particular problem lies in our rates' having to be approved by the architects, and by the building works people, and by the internal audit as well. This means we can't respond quickly to market forces. Sometimes I have to be very tough with other departments, I can tell you. But it's all so very much worthwhile."

Which is why, now called away by a pressing need in his family's business, Robin Sutcliffe is anxious to be succeeded by a manager with at least an equally strong and practical enthusiasm for the co-operative idea embodied in PELAW.

"Whoever comes will need experience of active management and preferably in the construction type of activity. I doubt that serious contenders would be under 28, or older than about 40 given that the salary scale's £8,094 to £8,910 plus a "profit share" on last year's pattern of roughly £500—although the aim is to justify more. But older people would definitely be in the running.

"Provided we can find someone committed and with the basic nous to make the idea succeed, then I think the specific skills could be added on pretty quickly. And since I'm due to leave after Christmas, we'd like to make the appointment as soon as possible."

People interested in the job should therefore obtain application papers right away either by telephoning Mr. Sutcliffe's office at 01-340 3220, or by writing to the Borough Engineer and Surveyor's Service, London Borough of Haringey, Hornsey Town Hall, The Broadway, Crouch End, London N8 9JJ. Jobs Coloumn readers who respond swiftly are assured of having their completed applications considered.

DP in LA

A CHIEF systems programmer, with an up-to-the-minute knowledge of the latest breeds of IBM large frame computers and especially the related software, is wanted by headhunter Barry Latchford to help in setting up and developing the Los Angeles data centre serving the managerial network of a big United States group.

Mr. Latchford, of London-based Lloyd Chapman Associates, may not name the employer. But he guarantees to abide by any applicant's request not to be identified to the U.S. company until specific permission is given.

Responsible to the on-site data processing manager, the recruit will be involved in choosing software and peripherals and recruiting a couple of supporting staff, and otherwise tuning the operating systems to the group's needs.

The salary is about US$35,000, which Mr. Latchford thinks the equivalent of £15,000-plus in the UK. Housing in Los Angeles, he says, is relatively cheap.

Inquiries to him at Lloyd Chapman, 123 New Bond Street, London W1Y OHR; telephone 01-499 7761; telex 298942.

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Either way, we're making a proposition that should catch your attention. We're a medium sized public company with interests ranging from film studio management to media contracting to printing to foreign exchange broking. Our business is expanding fast, both at home and abroad—and we're looking for more ambitious young men and women to become our Managers of the future.

Join us and we'll aim to develop your talents across the company. Show a special aptitude and we'll move your career in that direction. Which means that at the end of 2 years, you could be a Finance Manager, or a Studio Manager or a Marketing Manager, or taking charge of any one of a number of projects or profit centres.

All we ask of you is drive, determination and some grasp of business basics. Starting salary will depend on age and experience—but you'll have every opportunity to show how much more you're really worth.

Telephone or write, quoting ref. MA/04, to Donna Berry, Recruitment Officer, Mills & Allen Ltd, Broadwick House, 15-17 Broadwick Street, London W1. Tel: 01-434 2200 ext. 251.

MILLS & ALLEN

Job Search OPPORTUNITIES

- 75% of Executive Appointments over £10,000 p.a. are unpublished and go to those with the best contacts.
- As Europe's most experienced Job Search organisation we can provide you with all the facilities you need to build up contacts and locate your next employer.
- Our expert career advisory service is essential to executives who become vulnerable to the current fast changing market conditions.
- Telephone us for a cost free assessment meeting.

Percy COUTTS & Co.
01-839 2271
140 Grand Buildings, Trafalgar Square, London WC2.

European Vice-President
Marketing

Food and Beverages Paris

The introduction to Western Europe of a product range well established in North America has created this outstanding opportunity.

Reporting to the Senior Vice-President-Europe, you will have total responsibility for virgin market penetration and the subsequent attainment of a significant market share. You will control a seven-figure budget both above and below-the-line.

In your 30s, you must be able to show outstanding relevant achievement with particular emphasis on major consumer product launches. With English as your mother-tongue, fluency in French and a working knowledge of German will be essential.

If you are not already resident in Paris, adequate assistance with relocation and a substantial improvement on your current level of remuneration will be negotiated.

Please reply in writing enclosing a comprehensive curriculum vitae quoting reference 2771.

Lloyd Chapman Associates
123, New Bond Street, London W1Y 0HR 01-499 7761

Assistant Controller
Deputy to Finance Director
c.£11,000

Our client is a very profitable precision engineering company in North West England with a substantial export performance in competitive world markets. This senior post is all embracing, covering computerised financial, management and cost accounting through section heads. Occasional visits to USA and subsidiaries in Europe are involved.

Candidates, male or female, probably 35-40, should be Chartered Accountants with subsequent experience at management level of cost accounting and monthly performance reporting in a sophisticated manufacturing environment. The present holder is being promoted within the multinational Group and career prospects are excellent. Relocation assistance is negotiable.

Apply for an application form, quoting reference P.110A, to ERP International Recruitment Limited, Clemence House, St. Werburgh Street, Chester, CH1 2DY. Telephone 0244-317886 (ansafone after 5.00 pm).

Offices in London, Chester, Jeddah, Amsterdam, Brussels, Milan and Paris.

ERP INTERNATIONAL

Unit Trust Sales Executive

A well-known Public Company is expanding its management team and seeking an experienced individual to sell its products to Brokers and other Professional Intermediaries.

The individual must have experience and knowledge of all aspects of Unit Trust and Life Assurance linked products and be prepared to travel extensively in the UK.

A good salary is offered. This would be supplemented by commission. A company car will be provided. Send curriculum vitae to:–
Box A6959,
The Financial Times,
Bracken House,
10 Cannon Street,
London EC4P 4BY.

UNIVERSITY OF EXETER
DEPARTMENT OF ECONOMICS
LECTURESHIP IN FINANCE

Applications are invited for a Lectureship in Finance tenable within the Department of Economics from 1 October 1980 or such earlier date as may be agreed. Preference will be given to persons who are qualified in the analytical and quantitative aspects of Finance, but applications will also be welcomed from those well-qualified in the institutional aspects of the subject.

Initial salary will be within the range £4,333-£5,777 p.a. The post is financed from a grant to the Department from the Esmée Fairbairn Charitable Trust and will be tenable for five years in the first instance.

Candidates should forward eight copies (overseas candidates one copy) of particulars of their qualifications and experience and names and addresses of three referees. These should reach Miss Doreen Watson, University of Exeter, Northcote House, Queen's Drive, Exeter, EX4 4QJ, from whom further particulars may be obtained, by 7 December 1979. Please quote reference No. 3222.

Conference Director

Euromoney, the monthly magazine of international finance, also organises conferences and seminars in London, New York and elsewhere. This activity has grown to the level where it requires a senior person to run it.

This is a demanding position requiring the ability to develop a full understanding of international banking.

Conference experience is not essential, but the successful candidate, who is likely to be aged between 28 and 40, must have energy and initiative and be willing to travel. Appropriate salary and conditions.

Write with career and salary information, and daytime phone number to:
The Publisher, Euromoney, Nestor House Playhouse Yard, London, EC4

FINANCIAL CONTROLLER

Liverpool **£14,000+**

Position: Ralli Brothers & Coney Limited, the Liverpool-based international cotton trader (subsidiary of The Bowater Corporation Limited), requires a financial controller to take control of all accounting and administration functions of the company.

Responsibilities: The financial controller will be responsible for the trading contract administration, the computer department, and the accounting functions of the company with a staff of about 50 personnel, and will also be responsible for maintaining systems of monthly management reporting, forecasting and budgetary control.

The candidate will need to develop control systems to meet the expanding commodity trading requirements of the company, and successfully to implement and integrate accounting and administration procedures.

Person: The successful candidate will have at least five years' post-qualification commercial experience, ideally with computerised accounting systems. Familiarity with the complex factors inherent in a commodity trading environment would be a great advantage.

Prospects: Successful implementation of the initial tasks should lead in two years to promotion as *Finance Director* within this expanding trading group.

Pay: Salary, depending on age and experience is unlikely to be less than £14,000 and would be more for an exceptionally qualified candidate. Benefits include: car, pension scheme, life insurance, BUPA.

Written applications giving details of experience and salary to:

R. Carter, Ralli Brothers & Coney Ltd.
Ralli House, Old Hall Street, Liverpool L3 9PP
or P. Bottomley, Ralli House,
46 Berkeley Square, London W1X 5DB

SALES MANAGER

STEEL – FLAT ROLLED PRODUCTS

Up to £11,000 p.a. plus car

Baxter Fell Metals Ltd., an established and respected Steel Service and Sales company, member of one of the world's largest steel manufacturing groups, has an excellent opportunity for a professional Sales Manager to take charge of the sales programme of a new project. This programme is centred in the South-East of England but also involves other areas.

Applicants, ideally aged 30-45, should be self-motivated and of the highest integrity, able to develop new business opportunities as well as provide a high degree of service to existing customers. In addition to several years' practical sales and customer service experience, applicants should ideally have a good knowledge of steel sheet with a bias towards slit coil. The position will involve a considerable amount of travel and liaison with customers. Promotional prospects are extremely good, leading ultimately to a Directorship.

In addition to an excellent salary, benefits include a 2-litre car, relocation assistance where appropriate, pension scheme, life assurance, BUPA.

In view of the urgency to complete this assignment, interested candidates should immediately send a detailed curriculum vitae or telephone Steve Anchor direct on 01-734 9038 to obtain further details and a confidential personal history form.

A & A CONSULTANTS LIMITED
Princes House Suite 407, 39 Jermyn Street, London SW1Y 6DT Tel 01-734 9035 Telex 25116
INTERNATIONAL RECRUITMENT & SELECTION CONSULTANTS
Our clients are equal opportunity employers.

Financial Controller

with Board Potential

City of London **c £10,000 + benefits**

A young, fully qualified accountant is required to assume overall responsibility for the financial operations of an enthusiastic firm of Lloyd's brokers. The successful applicant will be based in the Company's Head Office in the City of London and will be directly responsible to the Managing Director. This is a new appointment and it is envisaged that it will lead to a position on the Board.

Applicants should have at least two years of post-qualification experience. A knowledge of reinsurance will be an advantage but it is essential that candidates can demonstrate that they are able to take immediate control of the Company's accounting procedures in respect of both statutory and management information.

Applications giving age, qualifications, experience and current salary should be addressed in confidence to:

The Managing Director
FIELDING & PARTNERS
Lovat House, 10-12 Lovat Lane
London EC3R 8DT

Divisional Controller

£7,500 + car

DM Engineering is a subsidiary of AD International, the largest dental manufacturing company in the UK. We now have a challenging career opening for a suitably qualified accountant to join our head office in Blackpool as Controller for two sites.

Heading a small specialist unit working closely with all levels of management, you'll be involved in the formulation of monthly and annual accounts and forecasts; the maintenance and review of costing procedures and stock control.

Probably in your 30's, you should be a fully-qualified accountant — ACMA or ACCA preferred — and have gained several years relevant experience.

Salary negotiable around £7,500. A company car will be provided. Generous help will be given with relocation, where appropriate.

Please write or ring, giving brief career details to: Mr V. Walker, Divisional Manager, DM Engineering Limited, Preston New Road, Blackpool, Lancs.
Tel: Blackpool 65311.

AD

Financial Controller

A financial controller is required for a substantial housing trust with a development programme of £8m covering a range of properties in London and the Home Counties. The trust, which has surplus funds, is pursuing a policy of controlled expansion and the financial controller will have a major part to play as a member of the newly formed senior executive team responsible for carrying out the programme.

Reporting to the chief executive, the first priority will be to assess the financial function and to introduce modern methods of management; this will require implementing new systems of financial control including project appraisal, cash flow forecasting and developing a regular cycle of information to ensure the optimum use of resources.

A qualified accountant is required who can demonstrate technical excellence, a lively and commercial mind and strong administrative skills. Experience should include systems development, funding and carrying out negotiations at a senior level. Age: up to 35.

Remuneration: negotiable into five figures plus car.
Location: Central London.

Please write in confidence to FJF Hall (Ref 798F)

Thomson McLintock Associates 70 Finsbury Pavement London EC2A 1SX TMA

Accounting Officer

U.K. Atomic Energy Authority
Harwell or Risley

The United Kingdom Atomic Energy Authority is a major research and development organisation of *international repute employing over 13,000 people. Its work* centres on nuclear power development, but also embraces a wide range of nuclear and non-nuclear research for many sectors of Government and industry. These R & D activities give rise to an annual expenditure of over £200m and annual income of some £80m.

The Authority is offering recently qualified accountants exciting career prospects in terms of job challenge, management training and opportunities for promotion.

Initial appointment will be to an internal audit team, based either at Risley in Cheshire or at Harwell, near Oxford, *with the opportunity later to move into management* accounting. At both locations there are advanced computer installations, used for both management and scientific purposes, which will provide scope to develop expertise in computer auditing.

Candidates must be qualified accountants, preferably chartered. They must possess the personal qualities that enable them to communicate and to develop good working relationships with a wide range of personnel in different technical and administrative fields.

Employment benefits include an attractive index linked *pension and rented single or family* accommodation may be provided.

For an application form, write in confidence showing how you meet the specification and quoting reference 1627/L, to J.H. Cobb, Peat, Marwick, Mitchell & Co., Executive Selection Division,

165 Queen Victoria Street,
Blackfriars,
London, EC4V 3PD.

Peat, Marwick, Mitchell & Co.

Financial Controller

Irish Midlands **£12,000 + and car**

The McCartin Bros Group, comprising seven companies *engaged in agriculture-based* industry and services in the Leitrim area, 90 *miles from Dublin, wishes to appoint a* Financial Controller. This is a new position *and the person appointed will be responsible* to the Board for the full management of the *company's finances. Normal duties will* include the operation of management *information systems, preparation of detailed* budgets and reports and negotiation with financial institutions. Candidates will probably be over 30 and will hold a recognised accountancy qualification. Broad experience of industrial/commercial practices is important and a prime requirement will be the *ability to contribute effectively to business* policy decisions. Salary will not be a limiting factor. A car will be provided and the company is prepared to negotiate an initial contract for two years.

Ref: AA49/427D/FT.

Initial interviews are conducted by PA Consultants. No details are divulged to clients without prior permission. Please send brief career details or write for an application form, quoting the reference number on both your letter and envelope, and advise us if you have recently made any other applications to PA Personnel Services.

PA Personnel Services

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874

PA

A member of PA International

Management Accountant

F. W. Woolworth & Co. Limited, one of the country's leading retailers, seek to appoint a partly qualified or qualified ACCA, ACA or CA aged 23-30 to the above position.

The successful candidate will be responsible for the production of management statistics and ad hoc statistical reports, preparation of accounting instructions for new ventures, the control of merchandise and fixtures purchases and related inventory programmes for some overseas stores and the supervision and control of a staff of eight.

The salary is negotiable around £7,000 p.a. and in addition the company offers excellent fringe benefits.

Please send a comprehensive career resumé to:
The Personnel Officer, F. W. Woolworth & Co. Limited,
242/246 Marylebone Road, London NW1
or telephone 01-262 1222 for an application form.

mh Mervyn Hughes Group
2/3 Cursitor Street, London EC4A 1NE
Management Recruitment Consultants
01-404 5801

ACCOUNTANTS/ FINANCIAL MANAGERS

About Rs 120,000-Pakistan

Karachi is the location of the Exxon Chemical Pakistan Ltd. Head Office, and our Finance Division can provide you with *all the challenges of today's business world. It is here that* we offer highly rewarding opportunities to Chartered Accountants of Pakistani nationality.

With around 3 years' experience in a large industrial or commercial organisation, and with a working knowledge of electronic data processing — *you could be in line for a middle-management position that can offer very good* opportunities for advancement to senior management and executive positions.

Initial job responsibilities would include reviewing, recommending and implementing improvements in existing computer systems and the management information system. You'd also be expected to initiate longer term development plans in other areas of computer application. Subsequently, your activities could include Business Analysis, Accounting, Internal Control and Financial Analysis and Planning.

The salary is around Rs. 120,000 with attractive additional benefits and may be higher depending on qualifications and experience.

If you have an outgoing personality and the flair to meet the challenge, please write with full personal and career details to Exxon Chemical Pakistan Ltd., c/o Austin Knight, New Oxford House, 114/118 Above Bar, Southampton, Hants, SO1 0DU.

EXXON CHEMICALS

INSTITUTIONAL SALES 'NATURAL RESOURCES' MAJOR CITY STOCKBROKERS

Exceptional Prospects **Negotiable Remuneration Package**

Become the firm's No. 1 institutional salesman, capitalising upon one of the City's most well respected and acclaimed teams of analysts in 'Natural Resources' (primarily oils and mining). . . . Dismantling of Exchange Controls has opened new horizons!

Our Client: One of the oldest and greatly respected *firms of stockbrokers; accomplished leaders* in a number of major market sectors. They possess a well developed research department and their institutional sales desk is well reputed, lively and dynamic. The Partners pride themselves upon their past and current achievements • forward looking • maintaining a healthy profits record spanning the past 10 years. Excellent links already exist with North America, Australia and South Africa.

Your Opportunity: To join the firm as their *specialist in Natural Resources. Work closely with* two of the UK's most knowledgeable 'Oils and Natural Resources' Analysts. Further create a rapidly developing image for being ahead of the market place. You will be expected to know the *key investment and fund managers,* be capable of projecting new ideas and rapidly establishing *yourself and the firm as the most innovative and* efficient dealing operation in the London market.

Career Prospects: *You may be an established* partner, already in another firm, if so our client's Senior Partner will be happy to talk with you. Alternatively you will be in your mid 20's or early 30's, have a wide knowledge of the market sector *and see your horizons blocked. The new appoint*ment offers • Freedom to develop • Accessibility to all sources of business • The chance to work with a lively and highly rated group of partners • International travel • Real and proven opportunity to share directly in the success created.

Remuneration & Fringe Benefits: Among the most generous! An historically excellent bonus record + pension + life assurance + medicare etc.

ACT NOW! To learn more and arrange an early meeting, telephone or write to the firm's adviser, William L. Gill, on 01-388 2051 (or 01-388 2055, 24hr Ansaphone). ***Complete confidentiality is assured.*** *Quote Reference: 357.*

This appointment is open to both male and female applicants.

MERTON ASSOCIATES (CONSULTANTS) LIMITED
Merton House, 70 Grafton Way, London W1P 5LN
Executive Search and Management Consultants

YOUNG STOCKBROKERS PARTNERS' ASSISTANT

This is a first-class career opportunity within a leading City firm for which you should have good all-round experience of the business. As a senior position it will require a high degree of involvement, from financial meetings through monitoring of the *retail index to dealing* with the clients.

A knowledge of French would be an asset.

Salary £4,500 + bonus

For further details call Mike Blundell-Jones on 01-439 4381

PORTMAN RECRUITMENT SERVICES

SHIPPING SOLICITOR
FOR HONG KONG

International law firm with developing shipping practice requires solicitor with experience and initiative to take charge of shipping litigation in its Hong Kong office. Work will include development of practice in S.E. Asian area and co-ordination with U.K., U.S. and other offices.

SALARY IN REGION OF £20,000 P.A.

Write Box A.6963, Financial Times, 10 Cannon Street, EC4P 4BY.

Jonathan Wren · Banking Appointments

The personnel consultancy dealing exclusively with the banking profession

INSTITUTIONAL SALES – U.K. **£ negotiable**

A major North American securities house is seeking an additional Institutional *Sales Executive to further develop its Equity and Debt business. The successful* applicant will probably be aged 28–35, hold a professional qualification and have *at least three years' experience of marketing equities to U.K. and European institu*tions. Knowledge of Canadian securities would be particularly advantageous. *Salary is negotiable and will depend on experience;* the right individual will find the financial opportunity attractive. *Please contact ROY WEBB*

CREDIT ANALYSTS **£6,000–£9,000**

We seek experienced Credit Analysts on behalf of four American international banks. Openings are available at various levels:—

— *firstly, progressive opportunities* for candidates in their early/mid-twenties with approximately eighteen months' experience of balance sheet spreads and credit reporting, gained *within international banking;*

— secondly, more senior appointments require candidates aged up to 35 with a *recognised Accounting qualification* in addition to a strong track record in credit work.

Salaries are negotiable at the respective levels indicated and fringe benefits are those associated with major banks. *Please contact KEVIN BYRNE*

GENERAL BANKER – MIDDLE EAST **to £9,500**

Our client, a national bank in the Gulf area, offers a most attractive and financially rewarding opportunity for a young General Banker to extend his experience. *Candidates for this post should be bachelors, preferably aged 24–26,* with a sound background in general banking procedures including some knowledge of Bills work. *While international banking experience would be ideal, the job could suit* a clearing bank branch Foreign Clerk. The successful candidate will be required to *participate socially to assist in the marketing of the bank.*

Salary is negotiable upwards from £8,000 p.a., tax-free, plus bonus and benefits. *Interviews will be conducted in London.* *Please contact KEN ANDERSON*

First floor – entrance New Street
170 Bishopsgate London EC2M 4LX 01-623 1266

Leasing Executive

London Circa £9,500+car

Our client, a major international engineering group is looking for a Capital Asset Leasing Executive to join a small team within the Treasury Department at their Central London headquarters.

The responsibilities of this post include the development and operation of fixed asset leasing for the group in the UK; liaison with the companies within the Group to identify their leasing requirements; the negotiation of leasing facilities and individual leases with leasing companies; the development, negotiation and implementation of consortium leases with City institutions for major projects.

The successful candidate (male/female) will probably have an accounting or banking qualification or a Business School degree and will have had at least 2 years' experience of the leasing market involving negotiation of leases and documentation at a high level.

In addition to an attractive commencing salary, there is a generous benefits package which includes a car and relocation assistance where appropriate.

Please write in complete confidence with details of career and salary progression to date, advising of any companies to which your application should not be referred.

P. Aldersley (CRS 144),
Lockyer, Bradshaw & Wilson Ltd.,
North West House, 119/127 Marylebone Road, London NW1 5PU.

LBW
LOCKYER, BRADSHAW & WILSON LIMITED

PERSONNEL CONSULTANT

Finance/Accountancy

IPS Group, one of the leading UK Recruitment Consultants, require an additional Consultant for their Finance/Accountancy Division.

If you are aged 22-27 years and have an Accountancy and/or Consultancy background and are self-motivating and enthusiastic, we would like to hear from you.

This is a career opportunity with tremendous scope and prospects for the right candidate. Excellent financial benefits are envisaged.

Please contact:

Anthony J. Ovens, M.E.C.I.,
Director, IPS Group
(Emp'y. Cons.).
Tel: 481-8111.

EXPERIENCED STOCK EXCHANGE CASHIER

Age 25 plus, with current experience within Broking.

Salary to £5,500 plus bonus and LV's

Evans Employment Agency Ltd.,
15, Copthall Avenue,
London E.C.2

01-628 0985 Pauline Dudley or Marion Cross

Advances Manager National Girobank Five figure salary

National Girobank's services include the granting of credit facilities to both corporate and personal customers. We now wish to appoint an Advances Manager, reporting to the Controller, Finance, to control and administer corporate credit facilities.

The successful candidate will

* review all applications for major credit facilities and make recommendations to the Girobank Credit Committee.
* recommend and implement systems and procedures for authorising lower level advances.
* set up and organise the work of the Advances Division and develop the professional skills of the staff.

Applicants will either be a banker or qualified accountant, with recent responsibility for major credit decisions. The ability to deal tactfully but firmly with complex assessments of a range of commercial organisations is essential. It is unlikely that someone under the age of 35 will have the experience or personal maturity to be a success in this demanding post.

There will be a five figure starting salary. This is a permanent post with a contributory pension scheme.

Please write with full details of career and salary *progression to:*
G. W. Cox, Personnel Controller,
National Girobank,
Bootle, Merseyside G1R 0AA.

The Post Office

SOLICITOR

£15,120 to £17,120

Applications for this senior appointment are *invited from men or women solicitors* with not less than seven years qualified experience.
The Electricity Council is the focal point where policy decisions affecting the electricity supply industry in England and Wales are made. It is primarily concerned with co-ordinating the activities of the Electricity Boards in *England and Wales.*
The Council's Legal Department *is small* but the work is interesting and varied.
The *successful applicant will assist* in providing advice to management at all levels on a wide range of subjects which include, as well as electricity supply law, new legislation, tariffs and commercial matters, company law, industrial relations, finance agreements and *conveyancing.* He or she will also be required to advise the industry's superannuation schemes on the provisions of the schemes and on matters connected with investment of the pension fund, which is one of the largest in the country.
Applicants should have had appropriate experience in commerce or *industry or in* private practice and should preferably be honours graduates.
Please write in confidence giving details of age, career to date and present salary to:–
Duncan Ross,
Recruitment & *Development Officer,*
The Electricity Council,
30 Millbank,
London SW1P 4RD.

ELECTRICITY COUNCIL

Bilingual Accountants

London based £9,000-£11,000

To join a team of (currently) German, French, Indian and English accountants who are establishing the UK review base for a major US Corporation. The successful candidates will *carry out investigations* within subsidiaries worldwide to ensure that they are achieving group objectives in terms of controls, systems and performance, recommending improvements to senior management and, where appropriate, implementing them. A move to line management can be expected in the short term. Applicants will ideally be aged under 30, *qualified accountants with* at least 4 years' public or industrial experience. Fluency in English and French or another European language is essential and travel content will average 65%.

N. Lilley, Ref: 22165/FT

Male or female candidates should telephone in confidence for a Personal History Form to:

LONDON: 01-734 6852, *Sutherland House, 5/6 Argyll Street, W1E 6EZ.*

Hoggett Bowers
Executive Selection Consultants
BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, and SHEFFIELD.

BANKING APPOINTMENTS

c. £6,300 + Excellent Perks
Recently qualified Accountant required by Comptrollers Division of leading International Bank to train in Internal Auditing. Eventual progression would be to work with, or lead, team of 4 Inspectors. Knowledge of a European language would be useful as the position demands some travelling throughout UK and the Continent. Ring for appointments on 283 6022/6023.

V.A.H. EMPLOYMENT

SALES MANAGER £10,000+ Middle East

An International Car Manufacturer has a vacancy for an experienced Sales Manager familiar with all forms/types of marketing, promotion and sales. The candidate should be between 28-39 years old.

The contract length would be for 2 years with accommodation and transportation provided.

Contact Mr Claude Lobligeois at the Sheraton Park Tower Hotel. Interviews will be held on Monday 12th November at 10 am.

TELEPHONE: 01-235 8050

MANAGEMENT ACCOUNTANT

Circle 33 is a leading Housing Association working in North and East London. Its task is to provide housing for those in need, mainly through the rehabilitation of older properties. The Trust is organised into four Teams who are responsible for developing and managing housing within their Area. They are supported by the Finance Department in carrying out the Trust's annual development programme of £7 million and managing a revenue budget of £2 million.

A young, qualified Accountant is required to assist the Financial Controller in supplying advice and support to the Area Managers on financial matters; the investigation, improvement and monitoring of accounting procedures within the Trust; and the preparation of budgets and statutory accounts.

The salary will be around £8,000 per annum plus £290 car users allowance. The Trust operates a non-contributory pension scheme and has a friendly and informal working environment.

For further details and application forms, write to:
Dudley Korte,
Financial Controller

33

CIRCLE 33 HOUSING TRUST LTD
26 Pancras Road, London NW1 2TB

Public Relations Executive

Home Counties c. £10,000 p.a.

A nationally known financial organisation with headquarters in the South East intends to appoint a Public Relations Executive to a senior, newly-created post within the P.R. function. The successful candidate will be responsible to the Chief Executive for all aspects of public relations and communication with the media, national institutions and business organisations over the full range of Company activities, acting where appropriate as spokesman and press officer.

Applicants must have a good educational background to degree standard, the presence and authority to project the Company *image effectively at all levels, and be well versed in the general* skills, methods and practices of modern Public Relations. Previous experience should include a similar in-company role or closely *associated duties in publishing, journalism or other media.* Starting salary will be related to experience and an attractive range of benefits includes a non-contributory pension scheme, *and preferential loan and mortgage facilities.*

Please apply in confidence, quoting Ref. No. 104/6FT and giving brief but comprehensive career details, to:

Charles Barker-Coulthard
30 Farringdon Street, London EC4A 4EA.
Telephone 01-236 0526

Management Selection – Executive Search

Financial Controller

KENYA *£20,000

Our Client, a major International Company, is seeking an industrially experienced Chartered Accountant to be responsible to the regional Managing Director for the financial and secretarial function of three subsidiaries in East Africa.

*Based in Nairobi the reward package includes and principal conditions of employment are:—

* Locally paid salary
* Car provided
* Tax free servants allowance
* School Fees assistance
* Pension and Life assurance
* Tax free salary
* Free furnished house, all services paid
* Generous annual UK leave with passages paid
* School holiday passages
* Family Medical insurance

Applications are invited from Chartered Accountants aged around 30/40 who have gained at least five years industrial experience. Previous overseas service would be advantageous.

Apply in confidence. Ref. 760

Hales & Hindmarsh Associates Ltd.
Century House, Jewry Street,
Winchester, Hampshire
☎(0962) 62253
Recruitment and Selection Consultants

INTERNATIONAL FINANCIAL CONTROLLER

HAMPSHIRE Circa £13,000

The Company is a compact multi-national organisation with a high technology product line. Its track record in Europe is outstanding and growth continues on an unparalleled basis. Growth of this nature brings with it problems of business control and a decision has been reached to establish a financial department in the Corporate Headquarters on the South Coast, *with geographical* responsibilities covering Europe. This Department reporting directly to the Corporate Financial Director with responsibility for all aspects of operational and financial control. To create this Department, an experienced financial Accountant is now required, to carry out review of subsidiaries throughout Europe, to ensure that there are appropriate controls and compliance with corporate policies. The candidate to be capable of becoming a team leader.

You must be a qualified Accountant with several years' experience with a major professional firm or within a successful commercial or manufacturing organisation. Proficiency in either French or German is highly desirable but not essential, as language training will be given.

In addition to a salary in the range of £13,000—dependent on experience, all relocation expenses will be paid to the Hampshire South Coast. A company car will be provided, and an excellent pension scheme is in *operation.*

Please write, *or preferably telephone* Peter Slip.
Personnel Placement Services Limited,
14a Cross Street, Reading, Berks.
Tel: 0734 595343 quoting reference 2125

Group Financial Controller

A major Jordanian group based in Amman and having extensive investments in international property and commercial activities is seeking to fill this new senior position. The group is reorganising to ensure further profit growth.

The group financial controller will be directly responsible to the Group Chief Executive, and his duties, with the appropriate subordinate staff, will embrace the preparation of financial and management accounts, administration, co-ordination of legal advice, and executive involvement with group corporate planning. Candidates must have proven experience in these fields and be fluent in Arabic and English. Age is not a limiting factor. However, experience and self-motivation within a team is essential as this is a senior management role.

A substantial salary is negotiable, plus free furnished accommodation, car and other attractive fringe benefits.

Please write Box A.6958, Financial Times,
10 Cannon Street, EC4P 4BY.

هكذا من الأصل

Economist

International Banking

Bank of America, the world's largest international bank, is seeking an economist to join the expanding Economics Department in its Europe, Middle East and Africa Division, based in the City.

The department's activities encompass a wide range of research and marketing functions, including the interpretation of economic and political developments, foreign exchange rate forecasting, country risk analysis and the development of business both within the Bank and with external clients.

In addition to an economics degree, candidates, aged 25-30, will have a sound background in applied economics together with the personal qualities required in an environment which involves a considerable amount of client contact.

This position affords excellent scope for career progression, and a competitive salary will be augmented by an attractive benefits package, including low-interest mortgage, non-contributory pension and free BUPA.

Applicants should send full career and salary details to: Eigil Kruse-Kempen, Director Economics, Bank of America NT & SA, International Financial Centre, 1 Watling Street, London EC4P 4BX.

BANK OF AMERICA NT&SA

Management Accounts Controller

Middlesex to £8,500

This position will suit the qualified Management Accountant who is prepared to make decisions. It is a job that will mean involvement in an industry where information and advice needs to be available immediately.

Apart from the preparation of management accounts and reports it will be your particular responsibility to act as financial adviser on all operational matters. This will involve you and your team in quarterly performance reviews and assisting in the preparation of budgets and development reports.

The company is the main distributive arm of a large internationally respected group. They offer not only a basic salary of up to £8,500 and annual bonus but also good pension and insurance cover. Relocation expenses will of course be met, but most important is that this represents the opportunity to play an influential role in the operational development of the Company.

PER Professional & Executive Recruitment

Contact: Liz Diller on 021-236 6971 (24 hour answering service available)

Applications are welcome from both men and women.

Accounting Development Manager

South of England **c. £12,000 + car**

Our client, a subsidiary of a large international group, is highly successful and expanding with a current turnover well into nine figures. Market position, technical proficiency and financial strength are well founded.

Responsibility involves managing a team of qualified accountants, developing and introducing computer based accounting systems into other companies and ensuring that financial information and controls available match expansion. You will be an innovator and will participate in other developments including acquisitions. Size, challenge and opportunity abound – all previous holders have been promoted to senior posts within the Group.

Candidates, male or female and aged 28-35, preferably with a degree and an accounting qualification should have a record of proven success in similar fields and the necessary personal qualities to work with senior colleagues.

Please write in complete confidence, enclosing a suitably detailed curriculum vitae to:

ANTHONY NEVILE INTERNATIONAL

London Dubai Singapore Tokyo Los Angeles

Ash House, Churt, Farnham, Surrey, GU10 2NU.

Headley Down (0428) 712313/714493.

SALES EXECUTIVES, REGIONAL MANAGERS

required all areas to sell Assurance Linked gold programme from Switzerland. Earnings should be in the area of SwFr 70,000 p.a.

Write or phone:

IFC, 28/32 London Road, Newbury, Berks RG13 1JX.

Newbury 46460.

Senior Financial Analyst

Business Planning

Rural Kent **c.£10,000**

Kimberly-Clark, with an annual turnover of £100 million, is fast growing – a leader in the marketing and manufacture of disposable products, whose range includes facial tissues, feminine hygiene products and industrial and hospital disposables under brand names such as 'Kleenex' and 'Kotex'.

As a leading member of the Corporate Financial Analysis Department you will head a small team of professional staff concentrating their activities within a specific Marketing Division of the Company. Together you provide information and analysis on short and long term planning, product and pricing strategy and capital expenditure. You will be in frequent contact with the management of your division, actively contributing to their business decisions and with a purposeful role in generating proposals that will maximise the divisions achievement of its business objectives. Excellent prospects of career development exist in all areas of management activity, as the Company has a good record of cross function promotions from this area.

Probably aged 26/35 you will bring to the job a sound financial background including a relevant professional qualification or a degree in a numerate discipline with business experience that includes exposure to finance and marketing. The ability to be able to *persuasively present your proposals is critical* to achieving success in this job. Starting salary is likely to be around £10,000 with more for the really exceptional candidate and our benefit package includes generous relocation expenses and free BUPA cover.

Please send us your CV or telephone Jacqueline Endersby, Personnel Officer, Kimberly-Clark Limited, Larkfield, Nr. Maidstone, Kent ME20 7PS. Telephone Maidstone 77700 ext. 318.

Larkfield, Maidstone, Kent ME20 7PS

Kimberly-Clark.

Reed Executive

The Country's most successful Recruitment Service

Financial Controller

Leicestershire **£10,000 Neg. + car**

This £4m subsidiary of a large U.S. based group is involved in the manufacture of products for an expanding market and is anxious to ensure the accuracy of management information on which commercial decisions are based. A qualified accountant, preferably aged 28 to 35, with proven management accounting ability and a flair for systems development/innovation is being sought to support the Managing Director in this respect. Responsibilities cover the total site accounting function, utilising sophisticated E.D.P. facilities, including monthly and annual accounts, budgets and forecasts together with a substantial contribution to company management via reporting procedures and liaison with other managers.

Telephone: 021-643 7226 (24 hr. service) quoting Ref: 1414/FT. Reed Executive Selection Limited, 6th Floor, The Rotunda, Birmingham B2 4PB.

The above vacancy is open to both male and female candidates.

London · Birmingham · Manchester · Leeds

EGYPTIAN LAWYER with American and Belgian international degrees would like to work with international firm for Middle East affairs. Phone evening Brussels (02) 647.65.58 or write: Dr. ELTAHRY 22 Av. Benoni van Beethoven B. 1331 ROSIERE. Belgium.

Group Company Secretary

Nottingham c. £9,000 + car

Our client, the Gamma Computer Group Limited, is a public company with a number of subsidiaries specialising in the provision of mini-computers, software support services and bureau facilities. *The Group has expanded rapidly over recent years to* meet demand for its products and is now seeking a well qualified company secretary to join its senior management team.

The role involves advising the group board and subsidiary company management on all legal and contractual implications of the company's business as well as commercial leasing, share registration, property management, pensions and insurance matters.

It is essential that candidates, aged 30 to 45, should offer proven experience in man management skills and company secretarial practice as well as having the necessary drive and enthusisam to contribute to the further profitable growth of the Group.

Initial salary is to be around £9,000 and a car is provided. Fringe benefits are compatible with the seniority of this position and a generous contribution would be made towards relocation expenses.

Candidates, male or female, should write for a personal history form quoting reference MCS/1951 to C A Downes, Executive Selection Division, Victoria House, 76 Milton Street, Nottingham, NG1 3QY.

Price Waterhouse Associates

MERCHANT BANKING

Baring Brothers & Co., Limited

FOREIGN EXCHANGE

Barings are seeking a principal Foreign Exchange dealer who will report directly to the Foreign Exchange Manager. This is a vacancy resulting from an overseas posting.

The successful applicant, whose age is likely to be in the thirties, must have experience of all aspects of foreign exchange dealing and eurocurrency deposits, probably gained in a leading London-based bank.

Salary will be negotiable according to age and experience. Benefits include low interest house mortgage and non-contributory pension scheme.

Applications, enclosing curriculum vitae, should be sent in confidence to:–

Mr. M. A. Kidd,
Baring Brothers & Co., Limited,
88 Leadenhall Street,
London EC3A 3DT.

Operations Director

(Designate)

Rural Essex

Our client is the autonomous warehousing and distribution subsidiary of a major publishing group. Turnover is *close to £20 million.*

Reporting to the managing director, the operations director will have *responsibility for the accounting* function, but the emphasis is on warehouse control, administration, and assistance to the *managing director* in all aspects of the business.

Candidates will be qualified *accountants, probably in their thirties,* looking for a challenge in line management. They should have the personal qualities *needed for top* management, to be ready for further promotion opportunity after an early *board appointment. They must be* analytical, have EDP experience in a high volume business, preferably in *warehousing and distribution*, with a proven record of achievement.

Salary and benefits are in keeping with the importance of *the position*, and the location is particularly attractive.

For an application form, write in *confidence showing* how you meet the specification and quoting reference 3885/L, to J. H. Cobb, Peat, Marwick, *Mitchell & Co., Executive Selection* Division.

165 Queen Victoria Street,
Blackfriars.
London EC4V 3PD.

Peat, Marwick, Mitchell & Co.

Assistant Company Secretary

International Company **to £8,500p.a. + car**

Our client is the North West based holding company of an international group controlling interests in Europe, The Middle East and Africa. It wishes to recruit a Chartered Secretary to be Assistant to the Director/Secretary who is a member of the small Head Office staff. Work will include keeping of minutes and statutory books, pensions, insurance, patents, accounts of the small holding company operation and ad hoc exercises as required. Candidates, male or female, with C.I.S. qualification, in their late 20's will probably be graduates already working in a large UK company with overseas interests and preference will be given to those with European language competence.

Apply for an application form, quoting reference C.242, to ERP International Recruitment Ltd., Clemence House, St. Werburgh Street, Chester, CH1 2DY. Telephone 0244-317886 (ansafone after 5.00 p.m.)

Offices in London, Chester, Jeddah, The Hague, Brussels, Milan, Paris.

ERP International

Young Accountant

c. £8,500+Car **Central London**

Our client, an international management consultancy with a highly successful growth rate, currently has an excellent opportunity for a young ACA.

Reporting to the European Director of Finance, you will enjoy a wide-ranging accounting and administrative role, which will necessitate visiting the Paris office on a regular basis. You will also be involved in the development and updating of new accounting systems.

Although your qualifications and good professional experience are essential, your personal qualities are of the highest importance to succeed in this challenging post – you should have excellent communicative skills, combined with a high level of energy, drive and ambition.

Please telephone or write quoting reference LF.2785.

Lloyd Chapman Associates

125 New Bond Street, London W1Y 0HR 01-499 7761

We are a young German company trading in petroleum products and look for an experienced

Cargo Trader

for our office in London.

What we offer is a senior position which requires a good grasp of German as well as *excellent knowledge of the* petroleum market.

Salary and fringe benefits are appropriate to the job.

Please contact us on our telephone no. 040-33 96 42 41 (Miss Wiczak).

STINNES

stinnes interoil gmbh

Ballindamm 17
2000 Hamburg, W. Germany

STOCKBROKING

International Settlements

London member firm requires first-class settlement personnel for Australian, Far Eastern and Eurobond departments.

An attractive financial package will reflect the applicants qualifications and senior experienced people only need apply.

Please reply in strict confidence to:

Box A6961, Financial Times
10 Cannon Street, EC4P 4BY

Reed Executive

The Country's most successful Recruitment Service

Chief Accountant

Coventry £9,000 + car

This major engineering subsidiary of a large multi-national group based in the U.S. can offer the successful candidate substantial management experience in a well-run, computer-based systems environment. Reporting at Board level, responsibilities will encompass financial and management accounting through a staff of 25, timely reporting to the U.S. on operating results, budgetary control, cash and profit forecasts, cash management and treasury work and provision of information for efficient control of company operations. Candidates should be qualified, preferably over 30, with previous man-management experience within manufacturing. A sound contribution is essential to a successful appointment.

Telephone 021-643 7226 (24 hr. service) quoting Ref: 1413/FT. Reed Executive Selection Limited, 6th Floor, The Rotunda, Birmingham B2 4PB.

The above vacancy is open to both male and female candidates

London Birmingham Manchester Leeds

Television Accounts

£10,000

This important television company is seeking a qualified management accountant with at least five years' exeperience at senior level. Excellent prospects and fringe benefits.

Telephone:

Derek Last 01-629 7124

Prime Executive Division

MECHANICAL DESIGN ENGINEER

London based affiliate of offshore oil company seeks an executive with engineering qualifications and experience of petroleum industry for liaison and market research work. Applicants must be able to communicate with top level oil industry technical and sales personnel and evaluate client production/supply capacities and requirements. The appointee will be based in London but must be prepared to travel extensively in Europe and the East (sometimes at short notice).

The salary and benefits offered are commensurate with the high standard of competence required.

Write Box A.6949, Financial Times, 10, Cannon Street, EC4P 4BY.

Newly Qualified ACA

Bermuda - some Far East travelling

Oil Industry c$20,000 Tax Free

Towards the end of this month our client's Director of Accounting will be in London with the intention of recruiting his assistant.

The young ACA appointed will be responsible for the head office companies and for undertaking one-off assignments — investigations into potential acquisitions, special reviews etc.

The company, based in Bermuda, is multi-national with extensive operations in the Far East and is engaged in trading, refining and marketing. Turnover is $600m.

If you are single and would like to discuss your background and future plans in relation to this opportunity, please telephone Robin Billen in confidence on 01-831 7130, quoting reference U847/FT.

AYMS

Arthur Young Management Services
Rolls House, 7 Rolls Buildings
Fetter Lane, London EC4A 1NL.

Financial Controller

London c. £15,000

This Head Office appointment coordinates the accounting and financial functions of this high-flying public company and a number of expanding subsidiaries with activities in the UK and Overseas.

Prime responsibilities involve:–

- **Accounting Policy and Supervision,**
- **Taxation and Shelter,**
- **Funding and Investment,**
- **Corporate Planning.**

The successful applicant must have first-class post qualification commercial experience in at least some of the above mentioned areas as well as in the preparation of consolidated accounts. Probably aged between 30 and 40, he or she will become a member of a highly motivated team of top professionals within the Group who are participating in the capital growth of a company through its share option scheme.

Pension, car and fringe benefits are worth £3,000+ p.a. after tax.

Please write in strictest confidence with full career details to Box A6984, Financial Times, 10 Cannon Street, London EC4P 4BY.

Senior Management For International Growth And Development

Our client, a progressive International Engineering Group with an impressive record of achievement overseas is currently developing a high powered management team to expand the activities of a number of companies on a world wide basis. The Group is therefore looking for the following professional to operate from its London office.

Business Development Executive

C. £20,000

To establish the means and to initiate, expand and develop the Groups business in selected overseas territories. To evaluate new technology, to conduct comprehensive territorial analyses and propose and plan investments in appropriate acquisitions and developments. Extensive overseas travel will be necessary. Educated to degree standard also possibly MBA, ideally with an engineering background, he/she should have proven senior executive experiance and marketing expertise at a high level together with a good track record of rapid and sustained career development and be suitable for early promotion to a senior directorship.

Initial salary is negotiable according to individual experience and will be supplemented by benefits normally associated with a successful International Corporation. These include car and first class pension and life assurance schemes.

Applicants should write giving full but concise details of age, qualifications, career history and salary to date stating the names of any organisations to whom their application may not be sent to:

J. Adams, Associate Director, quoting ref: 1012.

Whites

Whites Recruitment Limited,
Royal Exchange House, City Square, Leeds LS1 5NS.
Offices: Bristol, Glasgow, Leeds, London, Manchester and Wolverhampton.

MANAGING DIRECTOR

for an international group of companies providing management and technical services to the petrochemical and process industries worldwide.

Responsibility is to the executive Chairman for the efficient operation of the Group. This is a new post with initial emphasis on the activities of the parent company.

A mature individual, male or female, with proven operational and administrative experience in a related industry is sought. Additionally, a familiarity with overseas operations and an understanding of people related activities are important attributes.

Excellent rewards.

Please reply in confidence to:

The Chairman,
Coppas International (UK) Limited,
Wandle House, Riverside Drive,
Mitcham CR4 4YS.

DresserWayne DRESSER

Dresser Wayne is a division of Dresser Industries Inc., a $3 billion international company, headquartered in Dallas, Texas, U.S.A. and employing 58,000 people throughout the world. Dresser is a leading supplier of high-technology products and services to the energy, basic metals and general industries throughout the world.

FINANCIAL CONTROLLER

(Salary negotiable + company car)

Wayne Division is located in Bracknell, Berkshire, and is engaged in the manufacture, sales and service of petroleum dispensing equipment and bulk meters for the energy industry.

We have a vacancy for a qualified and experienced Financial Controller to assume full responsibility for the complete finance accounting and E.D.P. functions. The Controller will report directly to the Managing Director and will be expected to make a major contribution to the effective management of the enterprise as a member of the Executive Committee of the Division.

Candidates (male or female) must be qualified accountants (Chartered, Certified or CMA), and preference will be given to candidates with a relevant degree. Necessary experience includes ten years in an engineering company and some experience in electronic data processing. Preferred age range is 35-45 years. Ideally, candidates should have gained their experience in a U.S.-based international business.

The salary is negotiable, and the benefits package includes a company car, pension and life assurance scheme, travel accident insurance and free BUPA for self and dependants.

Applicants should telephone or write to Robert Thorpe, Reading (0734) 595666, PER, Sun Alliance House, Oxford Road, Reading.

International Recruitment Specialists for the Commodity Markets

COMMODITY Graham Stewart APPOINTMENTS

MARKETING EXECUTIVE

A well-known international commodity news service requires Marketing Executive to join an existing team in London selling advanced market information systems in Europe with a possibility to relocate overseas to a major European capital.

The successful applicant should be over 25, fluent in German, Dutch or one other European language and have experience in the commodities or shipping fields. Previous selling experience is not essential.

This position offers considerable scope and potential. Salary negotiable £7,000-£10,000 depending on age and experience, plus commission. Considerable international travel is envisaged.

Please write or telephone Mr. G. Stewart or Mr. Colin Stanton regarding this position.

Egmont House 116 Shaftesbury Avenue London W1
Tel 01-439 1701

TSB TRUSTEE SAVINGS BANK *of Lancashire and Cumbria*

DEPUTY ADVANCES CONTROLLER (COMMERCIAL LENDING)

The Bank will shortly introduce small business and commercial lending facilities to customers, and in anticipation of their introduction invite applications for the above position. The successful applicant will report direct to the Advances Controller and will be responsible for the promotion and control of commercial lending. In the first instance he/she will be involved in the preparation of training programmes and with the formulation of control procedures and their documentation.

The person appointed will work closely with Branch Managers and will be expected to make reasoned and quick decisions using tact and diplomacy.

Applicants should be at least 30 years of age, be suitably qualified, have wide experience of commercial lending and be able to assess and interpret lending propositions. The ability to organise and communicate at all levels is essential.

Salary band £8,238-£9,882 plus a non-contributory pension scheme and house purchase subsidy scheme.

Applications for this position marked "Confidential" should be submitted to:

Assistant General Manager (Services Division)
TRUSTEE SAVINGS BANK OF LANCASHIRE AND CUMBRIA
P.O. Box 29, The Guild Centre, Lords Walk, Preston PR1 1RE
to arrive by not later than Monday, 19th November, 1979

Foreign Exchange Consultant

The continued growth of our client, a leading independent research organisation, has created the need for an additional senior economic consultant.

He or she will join the team providing and marketing foreign exchange research and advisory services on European currencies to international banks, companies and other clients.

Relevant experience in an international business, research organisation, government department, bank or financial consultancy, will be supported by a degree and post graduate qualification. Candidates will be British, American or European nationality, ideally fluent in German or a Nordic language and aged 27-35.

Salary runs into five figures, significantly so for an outstanding candidate.

Write to or call David Thompson in complete confidence, who is advising on the appointment, quoting reference 1082.

Odgers

MANAGEMENT CONSULTANTS
Odgers and Co Ltd, One Old Bond St, London W1X 3TD 01-499 8811

APPOINTMENTS WANTED

FOUNDER AND Joint Managing Director of small Precision Engineering Company seeks challenging and rewarding board appointment in a large progressive company, preferably aerospace related. Please write Box A.6962, Financial Times, 10, Cannon Street, EC4P 4BY.

BRILLIANT BUSINESS BRAIN, very much involved in the area of Catharsis seeks new patron on consultancy basis. Please telephone 045 14491.

Investment Analysts

Our client is a medium sized firm of Stockbrokers with gilt, equity, international and corporate business. Three of their equity specialists are to become involved in other areas of activity within the firm and they therefore seek additional analysts to become familiar with and then take over complete responsibility for established coverage of certain sectors.

Two of the positions call for bright graduates with 1-3 years experience of investment research — one to cover Oils and the other Stores. It is envisaged that these positions will appeal to ambitious individuals who now seek the opportunity to become a specialist with early responsibility offering great scope for personal achievement and partnership prospects.

The third position is for a more experienced analyst, probably aged 30-50, to cover a general group of companies, ranging from pharmaceuticals to hotels, some of which the firm is broker to. We feel that this position could attract a specialist who now wishes to cover a broader range of companies or a general analyst who would like to play an important part in a progressive firm.

Remuneration is negotiable according to ability. As advisers to the firm we certainly feel that agreeable packages will be offered.

For further information please contact F.J. Stephens who will treat all enquiries in the strictest confidence.

Stephens Selection

35 Dover Street, London W1X 3RA. 01-493 0617

Recruitment Consultants

Qualified Bankers

The Bank of Bermuda has attractive positions open in the International Department in Bermuda for qualified and experienced commercial bankers. Duties will be to administer services in connection with the Bank's rapidly expanding international business, with emphasis on multi-currency cash management, negotiation of loan and Letter of Credit facilities and new business development.

Successful applicants will have passed the Institute of Bankers examinations or obtained similar banking qualifications. It is also important that they should have at least five years practical experience in the international banking field. Ability to communicate with customers, both verbally and in writing, and to work with the Bank's team of international account administrators is essential together with a willingness to assist in staff training.

A salary commensurate with qualifications and experience is offered together with good working conditions and generous employee benefits.

Persons interested in these appointments should send their applications, with curriculum vitae and telephone number, to:

The London Representative,
Bank of Bermuda (Europe) Ltd.,
Grocers' Hall, Princes Street,
London EC2R 8AQ.

THE BANK OF BERMUDA LIMITED

FINANCIAL DIRECTOR

Bermuda

Fidelity Management and Research (Bermuda) Limited, is a member of the highly successful Fidelity International Investment Group, responsible for funds under management of over £3,500 million, and now wishes to appoint a Financial Director.

Reporting directly to the President, the successful candidate will assume responsibility in the Bermuda Company, including accounting, portfolio operations, client reporting, budgetary control, financial planning, computer processing and systems.

The person appointed to this challenging position based in Bermuda, will have a sound financial background and proven experience in managing accounting and administrative personnel. Essential requirements include the ability to develop systems and motivate staff in order to meet the demands of this rapidly growing company. Mutual Fund experience would be a definite advantage.

A comprehensive remuneration package recognising the qualifications and needs of the person appointed will be offered, incorporating a generous salary, bonus, profit sharing, possible equity participation and extensive fringe benefit programme.

Please write in confidence, enclosing a full c.v. to:
W. L. Byrnes, Vice Chairman, Fidelity Investment Group,
Buckingham House, 62/3 Queen Street, London EC4R 1AD.

FIDELITY INVESTMENT GROUP

Boston London Tokyo Bermuda

ASSISTANT LOANS MANAGER

We are looking for an experienced officer to assist our Manager Loans and Credits.

Candidates, aged 25-35, should be qualified credit analysis and have contacts and experience in syndicated loans business.

Knowledge of German is essential.

The salary offered is attractive, with a generous benefits package.

Please send details and c.v. to

Hans-Henning Erdmann, General Manager,
Landesbank Stuttgart, Portland House,
72/73 Basinghall Street, London EC2V 5AJ.

Landesbank Stuttgart
LONDON BRANCH

هكذا من الأصل

THE MARKETING SCENE

ITV faces a fight

JUDGING by the ratings for the first few days after the return of ITV it will be a week or two before the commercial channel regains its audience. The initial JICTAR findings show that the TV audience has become much more discriminating, and is likely to channel hop more than in the past. For example, the peak time ITV audience jumped around from 36 per cent of the potential on the first day back to 32 per cent on the Thursday, 31 per cent on the Friday, and then the usual weekend dip to 27 per cent on Saturday. The BBC recorded a comparable 41 per cent on Thursday, 40 per cent on Friday and 40 per cent on Saturday.

But set against a year ago the picture is not too bad. On the equivalent Saturday in 1978 ITV, at peak time, only managed 28 per cent as against 40 per cent for BBC. And in terms of the total audience ITV was quickly able to claim a majority share, 51 per cent, on Thursday, mainly because it transmits earlier in the afternoon. So although only three ITV programmes made the top 20 in the week ending October 28 there is no need yet for advertisers to start complaining. Last week's ratings however, the first complete week back, will be much more important.

A.T.

● **KELLOGGS** is putting £1m behind the launch of Super Noodles, the first instant pasta to go national; Leo Burnett is the agency.

● **THE** Daily Express is looking for an advertising agency. Collett Dickenson Pearce has been looking after ad hoc assignments but now a more permanent link is sought with another agency.

● **NEW** awards for advertising were announced this week. IPC Womens Magazines, in conjunction with the Creative Circle, has launched the Womens Magazine Advertising Creative Awards which are designed to improve the creative flair of ads in the womens magazines. Each campaign entered requires a £5 fee which is payable to the Leukeamia Research Fund.

CINEMA ADVERTISING

Towards a 21st Century Fox

BY JOHN SIMMONS

THE RANK Cinema Advertising Awards is a happy event. It reminds advertisers and agencies that the cinema is still, despite its failures and failings, a useful secondary but far from second-class medium. It also provides an opportunity to take a look at the cinema's value as an industry, as well as an opportunity for advertisers, and to inquire whether it has much of a future in the aggressive '80s.

There is no doubt that cinema in the UK enjoyed a healthy and exciting revival in 1978. This year the product has not been as rich as the '78 vintage, but a respectable and well-rounded year confirming profitable expectations. Trade estimates suggest at least 120m admissions for 1979. Attractive to the film-makers, and to the advertisers.

The bulk of the audience is, of course, still the 15-25 age group, and with high disposable income.

The threat from the video industry is a greater menace for television than it is for the cinema. Satellite broadcasting (you may be able to tune your set to Tele-Luxembourg next month), video recorders, the two-set home, and even the promising fourth channel opportunity are all alternative ways of watching a television set. The video cinema is well on its experimental way, claims Pearl and Dean; not so, say the audiences—the quality of the enlarged TV image does not yet compare satisfactorily with film on the cinema screen. Film prints will still be "bicycled" from cinema to cinema for many years yet; a simultaneous national premiere beamed directly to all the leading cinemas seems light years away.

It's not only the super-colossal productions that have revitalised the cinema, or the greater emphasis on "U" and "A" certificate entertainment, it's the promotions. This means, not before time, the influence of more individual, more imaginative advertising campaigns, not wishfully relying on overworked formulas or meekly adapting an indigenous American campaign. New, vigorous agencies like Duncan Ongley (specialising in entertainment advertising), and First City, keen consultancies, and new advertising agency divisions staffed and structured specially for entertainment promotion have sprung up, and, probably the most provocative and influential spur of all, the independent media buying specialists—altogether responsible for buying over £120m per annum of advertising time and space—have encouraged the greatest expenditures on film advertising ever invested. A two-month simultaneous London and national launch approaching £300,000 across all media—principally television, which works dramaticaly if the advertising is right—is no longer exceptional for a major movie. The big advertisers get excellent returns (except when the product is an anti-climax to its promotion when misjudged advertising gets strangled by the grapevine).

The gravity pull of the impressive campaign for Disney's fantastic sci-fi adventure "Black Hole," to be released to the Christmas audiences, will be sure to suck in some television ratings while at the same time boosting ITV income by more than a third of the £500,000 launch advertising appropriation.

A serious threat to all competitive moving-picture media in the '80s is more likely to be cable TV, and fibre optics, because these systems offer a prospect of a bedazzling and bewildering choice of over 1,000 programmes every minute of the day or night. Perhaps live theatre will become even more desirable.

The recent revivals in cinema entertainment are not unconnected with the growth of the new multi-screen complexes, some offering five different shows, as much for choice as for marathon movie addicts who hop from mini-cinema to mini-cinema. (Why aren't they offered a book of ticket vouchers at reduced prices, if visitors want to see more than one attraction, taking a lesson from Disneyland?). The screens may be smaller but the comfortable seat-to-screen ratio still provides pictures that fully fill the eyeballs. But despite the proliferation of over 1,000 multi-unit cinemas in the United Kingdom, all is not well: Rugby, for instance, has no commercial cinema of any type. (What are they doing instead?)

As for the Rank Cinema Advertising Awards — not, as you would be forgiven for having thought, for the best advertising for the cinema, but for the best advertising in the cinema — the jurors wearily and tediously complained of boredom and lack of exploitation of cinema's unique and grandiose opportunities. Barry Day president of McCanns, and the doyen of the thinking advertiser's advertisers, goes further (as usual):

"We saw far too little cinema advertising that is definite cinema advertising created specially for the medium. Much of it was hand-me-down TV, and it's depressing to see that small-screen intimacy stretched paper thin over the Odeon Leicester Square.

"Maybe we caught a bad year but it was also depressing to see the few good ideas that do translate—even if they weren't originally created for the cinema — run out of steam. Campari was a good example. We know the Lorraine Chase dumb cockney act by now. To earn the smile it has to be more inventive not less. It was less.

"We go to the cinema to be entertained and surprised. There were few surprises. But when they did come they were doubly welcome.

"W. H. Smith was inventive in its imagery (as Richard Williams usually is) . . . and Benson and Hedges scored with its travesty of Zulu for Silk Cut.

"We tend to forget in this TV age that we first learn all those intrinsic tricks, all that film grammar, sitting in the stalls. And we still do. To survive the cinema we have to push back the frontiers, take the risks. The future of cinema advertising is to learn how to do the same. There is plenty of future."

Gold gongs were awarded with VIP audience approval to Dorland's "Dubonnet Dry," Leo Burnett's naughty "McEwans Party," JWT's "De Beers Love Story" and "Smarties Party"; and a riotous assembly voted the Grand Prix to CDP's two minutes of hilarious parody of movie and advertising dialogue for Benson and Hedges Silk Cut, featuring John Bird as a blacked-up Zulu chieftain—who came close to becoming blacked-out by a racist criticism communicated to and rejected by the Advertising Standards Authority.

With the essential back-up of revenue from the adverising films, the cinema industry can be reported to be confidently alive, and well, and living in reasonable anticipation of healthy and happy continuity.

John Simmons is creative director of The Simmons Consultancy.

The Rank Cinema Advertising Grand Prix Award went to Collett Dickenson Pearce's parody of movie and advertising dialogue for *Benson and Hedges Silk Cut.*

A swag of sponsors

BY IAIN MURRAY

BRITISH industry spends at least £50m a year sponsoring sporting and other activities, yet has only the vaguest idea of what, if anything, it gets in return.

According to John Carson, marketing director of Schweppes, which spends 3½ per cent of its marketing budget on sponsorship, the whole area is under-researched in the extreme. Speaking at a conference organised by Marketing Week, Carson said that, despite his known desire for better information, no market research company had come forward with a satisfactory method of evaluating spending on sponsorship, and hinted that it would pay someone handsomely to do so.

Organisations seeking sponsorship should have a clear idea of exactly what it is that they are offering, said Mr. Carson. Sponsorship was not another word for charitable donation, and companies such as his set themselves specific objectives before parting with their money.

These included extra sales, publicity, an enhanced image, increased awareness, a closeness to the community, and an opportunity to entertain customers in attractive surroundings. Schweppes' largest involvement in a single sporting activity is its sponsorship of the Country Cricket Championship, now officially renamed the Schweppes Championship (though The Times stubbornly refuses to acknowledge the fact).

Of the objectives set out by Mr. Carson, it appears that the one most satisfactorily attained by cricket sponsorship has been publicity. He calculates that Schweppes has received column inches in the sports pages worth £2m had they been paid for.

Several agency men raised objections to what they described as the naive practice of directly comparing paid-for advertising space with free editorial coverage, but every sponsor who addressed the conference repeated that publicity was the primary purpose of this form of marketing activity.

The question of whether it actually sold any products remained unanswered, except in the mind of Jack Prosser, Rothmans' director of public affairs. He said that three years ago his company had withdrawn from all sponsorship activity in this country, and far from suffering, had since doubled its market share.

"The whole business has become complex and expensive," he said. "The public has become blasé about it all, and that is no good to us, because our job is to make people aware of who picks up the tab. People in some overseas countries are less sophisticated. They are thrilled, for example, to see the Rothman aerobatic team and they go out and buy our product."

Two companies that believe that they have pulled off the trick are Zanussi, the Italian manufacturer of domestic appliances, and Cornhill Insurance. Earlier this year, Zanussi sponsored the unsuccessful British attempt to cross the Atlantic by hot air balloon, even though the firm's agency had been strongly advised against having any links with such a hazardous project.

And, three years ago, without seeking advice of any kind, Cornhill made its dramatic intervention to save English cricket from being savaged by Kerry Packer.

Both firms made news and, in doing so, believe that they went a long way towards overcoming a common problem, namely lack of public awareness of their existence or what they did. George Dorman, managing director of Zanussi, said that the balloon flight was the major news item for five days, and research later showed that 62 per cent of the public knew about the company compared with 36 per cent before. Fred Dinmore, assistant general manager of Cornhill, said that sponsorship of the Test Matches had increased awareness of his organisation from 2 per cent to 16 per cent, a high figure for an industry where there is a general lack of public interest. But he had a word of warning for beginners to the sponsorship game. Cornhill had agreed to spend £1m over five years, but had not taken into account below-the-line costs, such as advertising, PR, printing, and entertaining, which had virtually doubled the outlay.

But that kind of expenditure, said the apologists of arts sponsorship, was not necessary to achieve results. Alastair Sedgwick of Marketing and the Arts argued that it was possible to tie up a year's support for an artistic project for less than the cost of a 30-second TV commercial. And Bill Kallaway, managing director of Kallaway Arts Sponsorship, stressed that this kind of sponsorship created a favourable climate within which a firm could do business.

That was the closest that anyone came to claiming that sponsorship ever sold anything. Far more convincing was the argument that it should be seen only as an extension of conventional marketing techniques. Alan Pascoe, the former athlete, and now a director of Mattison Saul Wallace Promotions, said that it was helpful if sponsored activities coincided with, say, the launch of a new product. And Clive Turner, advertising manager of Texaco, said that his company's "warmth and stature" in the public mind had increased since its involvement with grand prix racing and James Hunt, but largely because of the follow-up TV commercials featuring Morecambe and Wise.

Sponsorship, then, is as yet a blunt marketing weapon wielded more for fun than for any precise purpose. "Marketing people are all failed sportsmen or actors," said Schweppes' John Carson. "I'm sure that's where it all started."

News in brief . . .

● **WIGHT** Collins Rutherford Scott, which claims to be the fastest growing agency ever seen, has added Bergasol, the sun tan aid, worth £500,000 to its billings, which exceed £6m after just eight months. Bergasol was with Ted Bates. Its manufacturer, the Dutch based Chefaro, already has Wight Collins as an agency—it is just about to launch Cold Control for it, with another £500,000 budget.

● **CRAWFORDS** has gained the £500,000 Varta Batteries account soon after losing the business of its competitor, Mallory.

● **THE** relatively small Newlands Knight Round agency has picked up the £500,000 Pentax account, formerly with Kirkwood.

● **DINERS** Club is switching its account—1980 billing estimated at £750,000—from Interlink to Benton and Bowles. The Club has 240,000 members in the UK and 3.5m world wide.

● **ONE** of the biggest single prizes ever in a competition—a Mercedes Benz truck worth £17,500—is being offered by Truck Magazine to celebrate its fifth anniversary. Truck now has sales above 50,000 a month, the highest of any magazine in the field in Europe, and is printing 70,000 copies in November and December, the months covered by the competition. Although Mercedes Benz is the second biggest imported brand at the top end of the truck market it feels potential buyers are put off by its quality car image: hence the attraction of a competition which should appeal to all those lorry drivers who fancy starting up as road haulage contractors in their own right.

● **THE** 1979 Mackintosh Medal, awarded by the Advertising Association for services to the industry, is to go to George Bogle, of Reed International, mainly for his efforts in revitalising the Advertising Standards Authority.

LOMBARD

The reasons for factory closures

BY GEOFFREY OWEN

LAST JANUARY in this column I wrote about the Singer sewing machine factory at Clydebank, where a last-ditch effort to save the plant had just been agreed with the work force. The plan involved new investment, new products, improved working practices and a large number of redundancies. I suggested that the progress of the rescue plan should be watched closely, since what was happening at Clydebank was relevant to other parts of British industry. Here was a business whose competitive position had been steadily deteriorating. At last a determined effort was being made to revive it. The employees had decided, after considerable hesitation, to co-operate in making the plan work.

Unchallenged

Unfortunately the effort came much too late. Singer, a large American corporation which had once been the unchallenged leader in sewing machines, had failed to respond adequately, over a long period of years, to the challenge from Japan, Taiwan and other low-cost producers. More recently, it had been caught unawares by changing social trends in the U.S. and Europe, which greatly reduced demand for household machines in those markets.

The weakness of Singer's market position, and the extent of over-capacity, turned out to be more serious than had been apparent when the rescue plan was agreed. Last month the company announced the closure of the Clydebank factory.

What makes the failure all the more surprising, as a recent article in Fortune magazine explains, is that the present top management, led by Mr. Joseph Flavin, had been widely praised for saving the company from an earlier crisis five years ago. Under the previous management Singer had *acquired a host of companies* in such fields as domestic appliances and small computers, most of which were losing money. *Mr.* Flavin undertook a drastic pruning operation which *restored the company's finances.* But he and his colleagues, it now appears, did not appreciate the problems that were gnawing away at the core business of sewing machines. As one unnamed Singer executive told Fortune magazine, "What happened is not at all mysterious. We neglected product development. We neglected manufacturing facilities. We neglected our retail stores."

Apart from showing that there is nothing peculiarly British about corporate mismanagement, the Clydebank story demonstrates the absurdity of blaming factory closures on the attitudes and behaviour of trade unions. Productivity at Clydebank was probably lower than it need have been because of restrictive practices and other union-influenced working arrangements. These shortcomings may have contributed to the ultimate demise of the factory but they were certainly not the main cause.

Clydebank also casts doubt on what has become almost accepted wisdom — that what this country needs is not more investment but better use of the investment which is already in place. If there is a serious flaw in the design of the product (taking design to encompass both the performance of the machine and the cost of manufacture), an increase in Labour productivity is not going to cure it.

Obstruction

There are all sorts of reasons why factories become unprofitable and have to be closed down, and one would not exclude obstruction by trade unions or bloody-mindedness among employees as contributory, perhaps even decisive, factors in some cases. But when a business goes into decline, its competitive weakness usually shows up in product design, manufacturing and marketing—the key functions for which management is directly responsible.

A management which seeks to revive a declining business is more likely to succeed if it secures the wholehearted co-operation of employees and their trade union representatives. But this is not to say that the difficulties of British Leyland, or British Steel, or *Singer at Clydebank are in any* fundamental sense due to the trade unions. Management cannot escape the blame.

Mixing drinks in the Community

BUSINESS AND THE COURTS

BY A. H. HERMANN, Legal Correspondent

THE EUROPEAN Commission, so often criticised in this column, has finally adopted a worthy cause. It has gone to war against all the member states to secure free circulation of wines and spirits.

It has taken Denmark to court (Case No. 171/78) because it gives an excise tax preference to akvavit and schnaps, discriminating against imported spirits. In another case (152/78), France is sued for restricting the advertising of reinforced wines, which are mostly imported, and prohibiting altogether the advertisement of distillates made of cereals or sugar cane. The promotion of brandies and other typically French spirits is free.

Ireland has been hauled before the European Court (59/79) for conceding a certain delay on the payment of excise duty on spirits made in Ireland, while refusing this concession to imported spirits. Italy has been accused (196/78) of imposing a higher tax on whisky than on brandy.

The weightiest reproach, however, is reserved for Britain which has disagreed with the Commission's view that the same amount of excise duty should be levied per gallon of beer as is levied per gallon of wine. Supported by the Italian Republic, the Commission asked the European Court to declare that Britain had failed to fulfil its obligations under Article 95 of the EEC Treaty by continuing to levy £2.95 per gallon of wine and only £0.56 per gallon of beer. The defence that wine is drunk by the glass and beer by the pint, and that the duty levied per glass of wine (12.75 centilitres) is very roughly the same as that on a pint of beer (56.8 centilitres), found no favour with the Commission. It argued that wine has been one of the national alcoholic drinks of the British for at least nine centuries and that they drank no less than 25m gallons in the year 1976-77. The Commission submitted that wine had become a substitute for beer in British homes and if that was not so in pubs nationwide, then only because British inns and public houses were tied to breweries opposed to a change of drinking habits.

The Commission argues that since wine is a "substitute" for beer, the two products should be taxed at the same rate glass for glass, or pint for pint. It does not go as far as to insist that wine in future should be taken by the pint—for which we must be thankful in view of the havoc which it would play with an afternoon's work. Should the court conclude that wine is not really a substitute for beer, the Commission asks it to accept that it is so at least "potentially." Anyhow, the Commission warned this issue must not be judged on the basis of local habits in Britain; the concept of a "substitute product" must be defined at Community level not at regional level.

Defending its absolute prohibition of any promotional publicity for whisky, gin, and akvavit (while publicity for brandy, armagnac, calvados, and other typically French distillates of wine is completely free), France had no difficulty such as that encountered by the *British over the obscure difference* between a "real" and a "potential" substitute. The French defence was simple and straightforward. *In the consumption* of acoholic beverages France is the world leader and French authorities feel duty bound to do something against acoholism. Hence the prohibition of advertisements for whisky and gin. The French said there was no discrimination against foreign spirits, since whisky and gin were also made in France, though admittedly in rather smaller quantities than brandy.

In vain did the Commission argue that whisky had the same content of alcohol as brandy, and once diluted by water, as is usually done, no more than table wine. The French lawyers had an ace up their sleeve. The contents of alcohol was not all that important, they said, one must not ignore other noxious substances supposedly contained in whisky. Moreover, the decisive *factor is when you drink the stuff.* It had been established *by medical authorities* that it was much worse for your health to drink whisky before a meal than a brandy after it."

Compared with the British and French cases those of Ireland and Italy gave less rise to fun. But lest anyone thinks that the Netherlands and Belgium were left out of the *Commission's campaign* we must recall briefly the Van Tiggele case (82/77) decided by the court last year. It concerned a Dutch regulation fixing the same minimum prices for both domestic and imported spirits. Adopting a Commission argument, the court ruled that the regulation was illegal. The domestic products were much better established with the Dutch than imported products. If the imported products could not be sold more cheaply, there was no chance of weaning the Dutch from their familiar domestic brands.

As far as Belgium is concerned it recently scored a victory over the Commission in a Scotch whisky case (2/78). The Commission had complained that Belgium had not complied with an earlier Scotch whisky judgment (8/74) and continued to make it more difficult to import Scotch whisky from member states than from Britain. Both concerned certificates of origin. In the earlier case the court ruled that it is equivalent to a quantitative restriction on trade, and therefore prohibited by the Treaty, for a member state to require a certificate of origin since it is less easily obtainable by importers if they buy the Scotch in France, than if they buy it in Britain. It seemed to be accepted that British exporters preferred to keep their deliveries to Belgium and France separate, ensuring a better control over prices and the effect of promotion, and that they were not particularly keen to provide additional certificates to re-exporters.

The solution which the Belgian Government adopted to comply with the judgment spared the French re-exporters the embarrassment of having to ask the British exporters for additional certificates. Instead they could now send to Belgium certified photocopies of the originals received with the shipment from Britain.

However, those who imported to Belgium directly from Scotland were now given another advantage: they were allowed to import without a certificate of origin as long as the bottles had seals or closures branded by the distillery in Scotland.

The Commission was not satisfied that this really put the French re-exporter on a par with the British exporter. It insisted that Scotch whisky should be admitted also from other member States without a certificate of origin as long as the bottles *had* the appropriate closure.

The Belgian Government, supported by the British Government, argued that the danger of another liquid being passed off *as Scotch was greater* if it was not bought in Britain. The French Government took the view that if spirits were exported from another member State, and particularly if they were *bought* in bulk and bottled in that country, the seals and labels did not form a satisfactory guarantee of authenticity, and that only certificates of origin could do so.

Faced by a united front of the Belgian, British *and* French, the Court deserted the Commission. It concluded that the Commission did not sufficiently appreciate that, by adopting more liberal administrative *procedures*, the Belgian and the British governments had made it easier to import Scotch whisky into Belgium from other EEC countries.

The fact that it was still slightly more difficult to import Scotch from France than from Britain, was in itself no infringement of the EEC treaty as long as the disadvantage appeared reasonable and strictly necessary to ensure that the product was *really* that as what it is sold. The Commission's action was dismissed. If a similar test of "reasonableness" is applied the latest batch of the Commission's "alcoholic" cases, or at least some of them, may not survive.

Time to back winning stables

RACING

BY DOMINIC WIGAN

THE FLAT RACING season, which draws to a close at the end of the week, splutters back into life after a short absence with an eight-race programme at Teeside this afternoon.

As is often the case in the dying weeks of the campaign, winners look difficult to find and backers might do best to row in with stables enjoying a late autumn flourish.

John Dunlop's Arundel establishment is one such stable, for it could hardly have had a better spell over the last month or so. Two from Arundel who look sure to go close are Dragonara Malta and Rabdan.

Dragonara Malta, a chestnut filly by Dragonara Palace out of the St. Chad mare, St. Gay, probably put up her best performance to date when bustling up the gambled-on Chrisanthy in Folkestone's Ashford Maiden Fillies' Stakes. Furthermore, she might have taken that race but for being slowly away.

This afternoon Guy Reed's twice-raced Flower looks to be the stumbling block in the Stainsby Beck Fillies' Stakes. A well-beaten third when favourite on her debut at Edinburgh, Flower recouped the losses for many backers when justifying odds of 1-2 with an eight-length Hamilton victory over Blushing Chiquita on yielding ground a fortnight later.

Flower could do no more than win as she pleased, but the opposition was extremely weak and I suspect that Draganora Malta will prove too strong in receipt of 7 lbs.

Rabdan, among the runners for the Lusturum Back Stakes, again seems sure to make a bold show, but narrow preference is for the improving Vagabond King.

TEESIDE

12.15—Conflict
12.45—Friendly Fun
1.15—Florence
1.45—Dragonara Malta**
2.15—Mistress Royal
2.45—Vagabond King***
3.15—Miss Falcon
3.45—King's Ride

UTTOXETER

2.00—Pewter Spear
2.30—Spice
3.30—Jer*
4.00—Sandra Bella

TV Radio

† Indicates programme in black and white

BBC 1

9.00 am For Schools, Colleges. 12.45 pm News. 1.00 Pebble Mill at One. 1.45 The Flumps. 2.00 You and Me. 2.15 For Schools, *Colleges.* 3.53 *Regional News for* England (except London). 3.55 Play School. 4.20 Deputy Dawg. 4.25 Jackanory. 4.40 The All New Popeye Show. 5.00 John Craven's Newsround. 5.05 Blue Peter. 5.35 Paddington.
5.40 News.
5.55 Nationwide (London and South East only).
6.20 Nationwide.
6.55 Tomorrow's World.
7.20 Top of the Pops.
7.55 Blankety Blank.
8.30 Kiss the Girls and Make Them Cry.
9.00 News.
9.25 *Play for Today.*
10.40 Platform One: Sir David McNee, Commissioner of the Metropolitan Police interviewed.
11.10 News Headlines.
11.12 Sinatra.
12.05 am Weather / Regional News.

All Regions as BBC-1 except at the following times:—

Scotland—9.47-10.30 and 11.30-11.50 am For Schools. 12.40-12.45 pm The Scottish News. 2.40-3.00 For Schools. 5.55-6.20 Reporting Scotland. 10.40-11.10 Current Account. 12.05 am News and Weather for Scotland.

Wales—2.15-2.35 pm I Ysgolion. 5.55-6.20 Wales Today. 6.55-7.20 Heddiw. 10.40-11.10 Aberjazz. 12.05 am News and Weather for Wales.

Northern Ireland—3.53-3.55 pm Northern Ireland News. 5.55-6.20 Scene Around Six. 6.55-7.20 Sportsweek. 11.12 Tomorrow's World. 11.37 Festival Notebook. 12.57 am News and Weather for Northern Ireland.

England—5.55-6.20 pm Look East (Norwich); Look North (Leeds, Manchester, Newcastle); Midlands Today (Birmingham); Points West (Bristol); South Today (Southampton); Spotlight South West (Plymouth).

BBC 2

11.00 am Play School (As BBC-1 3.55 pm).
4.40 pm Open University.
†5.40 Flash Gordon's Trip to Mars.
6.00 A Memorable Match (Prudential Cup Finals 1975 and 1979).
7.25 Mid-evening News.
7.35 Newsweek (Tory strategy towards the Unions).
8.10 Rolls-Royce.
9.00 Pete Sayers Sings Country.
9.25 Diamonds in the Sky.
10.15 Richard Stilgoe.
10.40 Alabama Forty Years On.
11.25 Late News.
11.40 Closedown: Reading.

LONDON

9.30 am Schools Programmes. 12.00 Animals Kwackers. 12.10 pm Pipkins. 12.30 Emmerdale Farm. 1.00 News. 1.20 Thames News. 1.30 Armchair Thriller. 2.00 After Noon Plus. 2.45 London Belongs to Me. 3.45 Quick On the Draw. 4.15 Project UFO. 5.15 Mr. and Mrs.
5.45 News.
6.00 Thames News.
6.35 Crossroads.
7.00 Sapphire and Steel.
7.30 Charlie's Angels.
8.30 TV Eye.
9.00 Best Sellers.
10.00 News.
10.30 Best Sellers (continued).
11.15 Camera.
11.45 What the Papers Say.
12.00 The Entertainers.
12.25 am Close: Personal choice with Dame Flora Robson.

All IBA Regions as London except at the following times:—

ANGLIA

1.25 pm Anglia News. 4.15 The Beachcombers. 4.45 Little Vic. 5.15 Makin' It. 6.00 About Anglia. 6.20 Arena. 11.45 Chapter and Verse.

BORDER

1.20 pm Border News. 4.15 Radgauntlet. 4.45 The Life and Times of Grizzly Adams. 6.00 Lookaround Thursday. 11.45 A Twist In The Tale. 12.45 am Border News Summary.

CHANNEL

1.20 pm Channel Lunchtime News, What's On Where, and Weather. 4.15 Story Hour. 6.00 Report At Six. 10.28 Channel Late News. 10.32 The Young Pioneers. 11.25 Best Sellers. 12.10 am Camera. 12.35 News and Weather in French.

GRAMPIAN

9.20 am First Thing. 1.20 pm Grampian News Headlines. 4.15 Little *House on the Prairie.* 5.10 Police Newsroom. 6.00 Grampian Today. 11.45 The Electric Theatre Show. 12.15 am Reflections. 12.20 Grampian Late Night Headlines.

GRANADA

1.20 pm Granada Reports. 4.15 Story Hour. 5.10 This Is Your Right. 5.15 Crossroads. 6.00 Granada Reports. 6.30 What's On Next. 11.45 What The Papers Say. 12.05 am Police Surgeon.

HTV

1.20 pm Report West Headlines. 1.25 Report Wales Headlines. 4.15 Spiderman. 4.45 Wyatt's Place. 5.15 Jobline Newsdesk. 5.20 Crossroads. 6.00 Report West. 6.15 Report Wales. 6.30 Sports Arena. 11.45 SWAT.

HTV Cymru/Wales: As HTV General Service except: 1.20-1.25 pm Penawdau Newyddion Y Dydd. 4.45-5.20 Shene. 6.00-6.15 Y Dydd.

HTV West: As General Service except: 1.25-1.30 pm Report West Headlines. 6.15-7.00 Report West.

SCOTTISH

1.25 pm Scottish News Headlines and Road and Weather Report. 4.15 Little House on the Prairie. 5.15 Tales of Crime. 5.20 Crossroads. 6.00 Scotland Today. 6.30 Beverly Hillbillies. 11.45 Late Call. 11.50 The Entertainers (Grace Kennedy).

SOUTHERN

1.20 pm Southern News. 2.45 Houseparty. 3.10 Cartoon. 3.15 Survival. 4.15 Tarzan. 5.10 Melotoons. 5.20 Crossroads. 6.00 Day By Day. 6.30 The Squirrels. 11.45 Southern News Extra. 11.50 What The Papers Say.

TYNE TEES

9.20 am The Good Word followed by North East News Headlines. 1.20 pm North East News and Lookaround. 4.15 The Beachcombers. 4.45 The Life and Times of Grizzly Adams. 6.00 Northern Life. 11.45 Soap. 12.15 am Epilogue.

ULSTER

1.20 pm Lunchtime. 4.13 Ulster News Headlines. 4.15 Little House on the Prairie. 5.15 Cartoon. 5.20 Crossroads. 6.00 Ulster Television News. 6.20 Police Six. 6.30 The Flintstones. 11.45 Pro-Celebrity Darts. 12.15 am Bedtime.

WESTWARD

12.27 pm Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 6.00 Westward Diary. 10.32 Westward Late News. 10.36 West Report. 11.05 Politics West. 11.25 Best Sellers (continued). 12.10 am Camera. 12.40 Faith For Life. 12.45 West Country Weather.

YORKSHIRE

1.20 pm Calendar News. 4.15 Rocket Robin Hood. 4.45 The Life and Times of Grizzly Adams. 6.00 Calendar (Emley Moor and Belmont editions). 11.45 Police Surgeon.

Radio Wavelengths

1 — 1053kHz/285m, 1089kHz/275m
2 — [illegible] & 88-91vhf stereo
3 — 1215kHz/247m & 90-92.5vhf stereo
4 — 200kHz/1500m & 92.95vhf

BBC Radio London: 1458kHz 206m & 94.9vhf
Capital Radio: 1548kHz, 194m & 95.8vhf
London Broadcasting: 1151kHz, 261m & 97.3vhf

RADIO 1

(s) Stereophonic broadcast
‡ Medium wave

5.00 am As Radio 2. 6.00 Dave Lee Travis. 9.00 Simon Bates. 11.31 Paul Burnett. 2.00 pm Andy Peebles. 4.31 Kid Jensen. 7.00 Talkabout. 8.00 B. A. Robertson. 9.50 Newsbeat. 10.00 John Peel (s). 12.00-5.00 am As Radio 2.

RADIO 2

5.00 am News Summary. 5.03 Tony Brandon (s). 7.32 Terry Wogan (s). 10.03 Jimmy Young (s). 12.15 pm Waggoners' Walk. 12.30 Pete Murray's Open House (s). 2.15 David Hamilton (s). 4.15 Much More Music (s). 5.00 News. 5.05 Waggoners' Walk. 5.20 John Dunn (s). 6.45 Sports Desk. 7.02 Country Club (s). 9.02 Folkweave (s). 9.55 Sports Desk. 10.02 Tony's. 10.30 Star Sound Extra. 11.02 Brian Matthew including 12.00 News. 2.02-5.00 am You and the Night and the Music with Sheila Tracy (s).

RADIO 3

6.55 am Weather. 7.00 News. 7.05 Overture Concert, part 1 (s). 8.00 *News.* 8.05 Concert, part 2. 9.00 News. 9.05 This Week's Composer: Sibelius (s). 10.00 Cheltenham International Festival of Music 1979 (s), part 1. 10.25 In Short (talk). 10.35 Cheltenham International Festival 1979 (s), part 2. 11.10 Haydn: Quartet in E flat major (s). 11.35 BBC Welsh Symphony Orchestra (s). 1.00 pm *News.* 1.05 *Bristol Lunchtime Concert* (s). 2.00 Russian Stage and Film Music (s). 2.55 Beethoven piano recital (s). 3.40 Berlin Philharmonic Octet (s). 4.10 "Il Campanello di Notte" one-act comic opera by Donizetti (s). 5.25 Homeward Bound (s) including 5.45-5.50 News. 6.15 *At Home.* 7.15 *Talking About Music* with Antony Hopkins (s). 7.45 William Mathias (s). 8.05 A Life Sentence: Portrait of writer Richard Hughes (1900-1976). 9.30 Josef Bohuslav Foerster (s). 10.10 Building a Library of records (s). 11.00 Haydn and Prokofiev piano recital (s). 11.35 *Wilfrid Parry died 27.9.79* at the piano in a song recital (s). 11.55-12.00 News.

VHF only—6.15-7.10 pm Open University.

RADIO 4

6.00 am News Briefing. 6.10 Farming Today. 6.25 Shipping forecast. 6.30 Today, including 6.45 Prayer for the Day, 7.00, 8.00 Today's News, 7.30, 8.30 News headlines, 7.45 Thought for the Day. 8.35 Yesterday in Parliament. 9.00 News. 9.05 Checkpoint. 9.30 The Living World. 10.00 News. 10.05 The Movie Moguls. 10.30 Daily Service. 10.45 Prester John. 11.00 News. 11.05 File on 4. 11.50 Piano Parlour. 12.00 News. 12.02 pm You and Yours. 12.27 Many a Slip (s). 12.55 Weather, programme news. 1.00 The World at One. 1.40 The Archers. 1.55 Shipping forecast. 2.00 News. 2.02 Woman's Hour. 3.00 News. 3.02 Listen with Mother. 3.15 Afternoon Theatre (s). 4.15 Any Answers? 4.45 Short Story. 5.00 PM. News magazine. 5.50 Shipping forecast. 5.55 Weather, programme news. 6.00 News. 6.30 Top of the Form. 7.00 News. 7.05 The Archers. 7.20 Analysis: Lord Carrington in conversation. 8.05 Kiri Te Kanawa recital of arias and songs (s). 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 11.00 A Book at Bedtime. 11.15 The Financial World Tonight. 11.30 Today in Parliament. 12.00 News.

BBC Radio London

5.00 am As Radio 2. 6.30 Rush Hour. 10.03 The Robbie Vincent Telephone Programme. 1.03 pm London Live. 3.03 Showcase. 4.30 London News Desk. 5.35 Look, Stop, Listen. 7.03 *Black Londoners.* 8.00 Question Time. 9.00-5.00 am Join Radio 2.

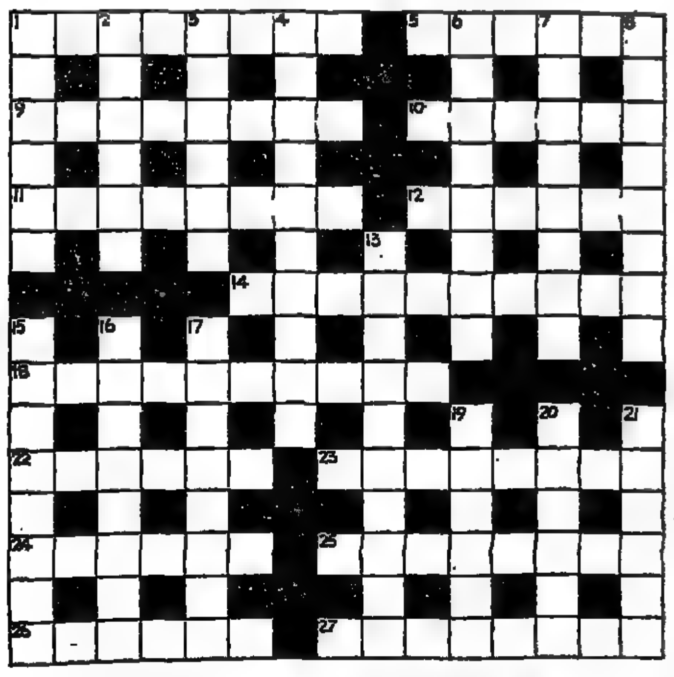
London Broadcasting

5.00 AM with Bob Holness and Doug Cameron. 10.00 The Brian Hayes Show. 1.00 pm LBC Reports. 3.00 George Gale's 3 O'clock Call. 4.00 LBC Reports. 8.00 After Eight with Theresa Birch. 9.00 Nightline. 12.00 LBC Reports Midnight. 1.00 Night Extra with Alan King. 5.00 Morning Music.

Capital Radio

6.00 am Graham Dene's Breakfast Show. 9.00 Michael Aspel (s). 12.00 Dave Cash (s). 3.00 pm Roger Scott (s). 7.00 Lord George-Brown's Capital Commentary (s). 7.10 London Today (s). 7.30 Adrian Love's Open Line (s). 9.00 Nicky Horne's Your Mother Wouldn't Like It (s). 11.00 Tony Myatt's Late Show (s). 2.00 am Duncan Johnson's Night Flight (s).

F.T. CROSSWORD PUZZLE No. 4,120



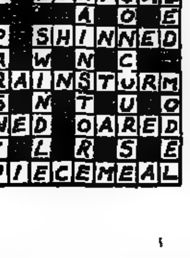
ACROSS

1 Listen to second call to mind (4,4)
5 Afraid self-starter was concerned (6)
9 Sam among the tangled gorse finds a fine thread (8)
10 Split in fashion (6)
11 Title of the joint on the ground (8)
12 Sound pair to preserve bird (6)
14 Warder roaming *about* with mental derangement (5,5)
18 Say journey east is complete nonsense (5,5)
22 Push the boat out with a meal outside (6)
23 Method a director followed shows where to go next (3,5)
24 Reservoir in which writer may have a dip (6)
25 Can be both given out and brought to court we hear (8)
26 Uncover former attitude (6)
27 Football teams can be found working together (2,6)

DOWN

1 Keep close to cathedral to a large extent (6)
2 Beads making a sorry mess (6)
3 Money youth leader finds vulgar (6)
4 Believe eccentric has a form of guarantee (6,4)
6 *Accountant with a kind of* soup spoon (8)
7 Cheer cut in carrots for instance (4,4)
8 Bully joins party going over pit with some hesitation (8)
13 Retain the label, boy, and don't lose sight of it (4,4,2)
15 When one is fed up at end of game (4,4)
16 Conceited outside right *started to play* (6,2)
17 Affected dear . . . (8)
19 . . . chap on river used to enrich soil (6)
20 Leaves when sacked for going to pot (6)
21 Cling to Reed? Ah that's different (6)

Solution to Puzzle No. 4,119



Cinemas are continued on Page 37

THE ARTS

Eilene Hannan, Michael Ginn and Graham Clark

iseum

The Turn of the Screw

by MAX LOPPERT

before the event, there fears for the outcome of n's opera at the Coliseum, were not entirely ground- The Turn of the Screw ter all, his tightest, most ate composition for the a chamber-music set of and variations for seven and 13 instruments pro- and developed with a e combination of musical and theatrical acuity. iouse in St. Martin's Lane ge, the stage broad, and opportunities there for ng a claustrophobic inten- f atmosphere would seem few.

while the new English nal Opera production by han Miller, first seen on ay, is open to criticism on ber of points, as a whole be considered a definite is. Other accounts of the notably the memorable sh Opera Group production 1973 Sadler's Wells visit) conveyed a more potent eloping atmosphere; few grips so determinedly he sense of the piece. is a cogent production, in visual style and tic direction. Patrick tson's single set comprises sides of a cube—two walls floor raked to a point over it. Upon the shining sur- and rectangular outlines of et there play the projec- (a bit wobbly on Tuesday). A picture is created of y and insubstantiality, of s dissolving and reforming d the players.

stage is open to view at nes. Lighting changes the and brings the acts to close. Without the fall of rtain, and without the atus of concrete stage rties (apart from the the most material objects age are the bed, the school and the table-tomb that on and off), we may feel tion of the conventionally ing elements in the tale, at contrast between an sing country house and its easy access to preying unseen forces.

In this production, in any case, those are mostly seen forces, seen far more tangibly and more often than the stage directions justify. For many in the audi- ence, the most marvellous in- vention of the opera—Quint's offstage voice tracing its sinuous florid lines around the repeated "Miles!"—will be found to be tampered with at that point, about halfway through, when Quint makes an appearance on an upper balcony.

This is a loss. But there are compensatory gains. A clear dis- tinction has been made between Henry James and Britten and Myfanwy Piper that is, between the great literary puzzlepiece on the one hand and the "ceremony of innocence . . . drowned" that composer and librettist extracted from it on the other. If at the Coliseum we have to sacrifice the enjoyment of spine- chillery, we gain a powerful, at times an overwhelmingly dra- matic impression of the struggle of opposed forces in quest of the children's souls.

All the parts, including Quint's and Miss Jessel's, are characterised by means of the economy of gesture that is Dr. Miller's most original contribu- tion to the lyric stage. When the battle lines are drawn up as tautly as they were in the final scenes of both acts, the deeper notes of the score are allowed to sound—not just its brilliance of colour, its amaz- ingly deft control of timing and atmosphere, but its interplay of fierce, disturbed emotions.

How revealing of Britten that just about the most voluptuous and passionate music he ever penned should have been inspired by a scene for two chil- dren and two ghosts!

The cast is superb. Almost without flaw, I should like to say —but have to report that Iris Saunders' Flora, sweetly sung and knowingly played, looks simply too old. This stands out among a company otherwise as apt of feature (Rosemary Ver- coe's costumes are plain but serviceable) as of voice. Eilene Hannan once again proves her- self one of the ENO's happiest recent acquisitions, a soprano lustrous, colourful, and ex- pressive in all its timbres, and an actress with an unusual gift of conveying neurasthenic in- tensity. Her Governess is a masterly creation.

So is Ava June's Mrs. Grose— younger and more refined than usual, a point of stillness in the turbulence. (It was moving to witness the transfer of the role to a notable Joan Cross pupil.) Graham Clark will do still more with Quint's vocal line, which requires, and rewards, as much artistry as florid Rossini; already the sound of a frank, forward young tenor promises well. Miss Jessel does not always come across as the grate- ful role Rosalind Plowright, with her succulent, full-sailed tone and intimation of sensual abandon, made of her.

Perhaps the most remarkable of all was Michael Ginn's Miles. His strong treble remained strong where other members of his tribe go breathy; his subtle control of face and body sug- gested a mature actor, not a boy. The level of verbal clarity was admirably high; Geoffrey Pog- son's Prologue set the tone.

Was it the effect of the partly covered pit, or the more pre- dictable one of small forces in a large theatre, that the inner parts of the orchestra were somewhat obscured whenever more than one voice was sing- ing out fully on stage? This qualification aside, enjoyment of the Britten orchestra was as keen as ever in Lionel Friend's pointed, lucidly prepared read- ing; Peter Quint's celesta stole into the house as both an insidious blandishment and a ravishing new addition of instrumental colour.

Reproach for the usual ENO medley of offstage noises; and praise for the full and very interesting programme, fully up to the company's high standard.

erside

The Masterwork

by ANDREW CLEMENTS

e Masterwork/Award Win- Fish-Knife, by Raul ards and Bruce McLean, to usical score by Michael an, is described as "a per- ance sculpture in four ." It crosses the boundaries variety of art forms—move- : and dance, visual art, c and straight drama. As a ne of the Riverside Studios' y, committed approach to contemporary arts it fulfils unction well; as a statement rtistic politics and as an ving, enlightening work in its worth is more question-

architect has finally tructed the Masterwork, the ummate artistic creation of century. It has been built e most carefully calculated retical principles, em- ed only materials conform- to the most stringent nical specifications. It is definitive work in medio- . Using these components, Architect believes he has e something that will serve model for civilisation. The ormance sculpture begins the unveiling of the erwork, represented by a of compressed soil (con- ng of samples taken from f the great art centres of pe) and held aloft by a -lift truck. The progress of work then reveals the con- ction of the Masterwork in all its manifold beauty; each of the four sections corresponds to one "elevation" of the design.

While a company of actors, dancers and acrobats delineates the structure, they are accom- panied by two off-stage voices. The Architect intones the tenets of his profession, defiantly deterministic, a catechism of design catch-phrases. A female voice, the epitome of the jet- setting, art-devouring classes, rehearses her clichés on contem- porary art and design, some- times reduced to the absurd — "there is no modern theatre to speak of on Cyprus" — some- times ironic — "I can tell you there will be no revival for con- cept art." As a comment on the complacency and blandness of the art/architectural establish- ment, it seems heavy-handed, and the wit is thinly spread.

As a spectacle, however, The Masterwork is more rewarding. The performers begin with the most stylised, prescribed gestures, rigidly confined to a grid that represents one "plan" of the Masterwork, but pro- gressively incorporate more fluid, physically daring actions. The Architect's Stand-In (Peter Elliott) reveals himself to be an accomplished acrobat, the Fat Man (Toby Philpott) takes up juggling, while the Architect himself (Martin Aubrey) becomes more absorbed into the explication of his masterpiece.

In the second half of the evening the performance is vivid, constantly absorbing. Michael Nyman's score that accompanies the action is a tour de force in his now familiar style: a collection of riffs and harmonic catchphrases strung together with the most in- genious layered repetitions. It is something of an achievement in itself to sustain such material over the two hours of the per- formance without any sense of staleness, apart from the edge and punch it adds to the pro- ceedings. Performances of The Masterwork continue at River- side Studios until Sunday.

Arts Council dance awards

The Arts Council has approved dance awards to choreographers, a designer and a composer, for new works com- missioned by professional dance companies. A number of these awards are made throughout the year.

A choreography award has been made to Corrine Bougaard, of Regent Square, London, WC1, for a 15-minute work for Extem- porary Dance Company. Royston Maldoom of Auchtermuchty, Fife, Scotland, receives a choreographic commission fee for a 20-minute work for EMMA Dance Company (based in Loughborough). Graham Bowers receives a design commission fee for the design of Royston Maldoom's ballet for EMMA Dance Company. Janet Smith, of Gloucester Terrace, London, W2, gets a choreographic com- mission fee for a 20-minute work for Spiral, a dance com- pany based in Liverpool.

There is a choreographic com- mission fee for Tom Jobe, a member of London Contem- porary Dance Theatre, for a 20- minute work for Extemporary Dance Company, to be choreo- graphed over a Christmas workshop period. He is also receiving a fee to extend and improve a work begun during the 1979 International Course for Professional Choreo- graphers and Composers.

Record Review

Black magic

by DAVID MURRAY

Janacek: Vec Makropulos (The Makropoulos Case). Elisabeth Söderström, Peter Dvorsky, Vaclav Zitek, Beno Blachut, Zdenek Svehla and Anna Czakova, with Sir Charles Mackerras, the Chorus of the Vienna State Opera and the Vienna Philharmonic. Decca D144D2 (two records).
Berlioz: La Damnation de Faust. Placido Domingo, Dietrich Fischer - Dieskau, Yvonne Minton, Jules Bastin and Claudine Chastagnol, with Daniel Barenboim and the Orchestre de Paris and chorus. DG 2709 087 (three records).

Of Janacek's operas only The House of the Dead is later than The Makropoulos Case. The latter was completed in 1925, just three years after the appearance of the Karel Capek play on which it was based. That suggests that Janacek's sym- pathies had been quickly cap- tured by the piece, and indeed there is every sign that the opera was written con amore.

The stories and plays of Capek (and his brother Josef, who died in Belsen) take a long, beady-eyed view of the human condition—The Insect Comedy, R.U.R.—which the old composer could easily share, but which his music could also fill out with a serene warmth that is hardly to be detected in Capek's text.

The special operatic attrac- tion of The Makropoulos Case is its great central role, Elina Makropoulos, a 337-year-old Cretan lady who has under- standably become a near- monster of weary sophistication. She resents the seductive power she exercises involuntarily upon all the other, ordinarily mortal characters. At last, without her alchemical potion, she fades away, and the heart of the opera lies in her ecstatic welcoming of oblivion.

Janacek made her, of course, an operatic soprano (she has pursued a serial career in many countries under many different names, concealing the indefinite postponement of any Final Appearance). The opera is not about magic, but about the tolerable limits of human life.

Miss Makropoulos, or "Emilia Marty" as she is known at the point of the story at which the opera begins, is incarnated on the new Decca recording by Elisabeth Söderström, and it is a magnificent performance. Especially in a recorded ver- sion, she must be marked out from the other characters by a vocal allure that combines knowing maturity with glitter- ing refinement and sudden authority.

Miss Söderström has all that, and one can scarcely imagine a role better tailored to her special strengths. There are no weak links in the supporting cast, all of whom are Czech— in fact I suspect that Janacek might have liked rather less full-throated singing for some of the dialogue for the con- versational surface is sometimes disturbed by their fervent attack.

That, however, is the merest niggle. Charles Mackerras leads a performance full of pungent insights, and the recorded sound is sumptuous but precise. Any fear that the Vienna orchestra might soften the edges of Janacek's jaggedly expressive style proves to be needless. All the diction is excellently pointed, and Miss Söderström makes as much dramatic use of her words as the native Czechs do—I have no idea whether a foreign accent can be detected, but obviously it doesn't matter.

Not only is the climactic expiration radiantly moving, but Mackerras reveals a great deal of vivid music in the expository first act. It is conventional to point to that act, all legal argy- bargy, as an example of the unoperatic material Janacek was prepared to set, but that's evidently a mistake.

It's true that the disputa- tious details are easier to follow here than in the opera house, but equally it is plain that Janacek shared his heroine's lack of interest in them—what he sets in his music is character and situation, and Mackerras shows how sharply and con- cisely he did it.

Daniel Barenboim's new DG recording of the Belioz Damna- tion of Faust commands atten- tion at once by its cast. Acquaintance with the set shows that to be indeed its principal attraction, albeit an uneven one. Barenboim's reading of the score throws up many a telling detail, and the best-known indi- vidual movements of this "légende dramatique" are car- ried off very well.

A sense of epic breadth is essential, though, in a work which admittedly sprawls, and it is not consistently felt. There are sustained slow passages which seem bonelessly inert, and others which march stiffly; long Berliozian lines are some- times most delicately inflected, and sometimes left flat and featureless.

The net effect is of an in- teresting but variable string of individual inspirations. Those who believe the score to be exactly that (a position that can certainly be argued for) will think that Barenboim has done it creditable justice.

In Berlioz's idiosyncratic lay- out of the musico-dramatic action, the dramatis personae appear and disappear unexpec- tedly. The illusion of develop- ing character must be difficult to maintain. Fischer-Dieskau's ripe Mephistopheles is a clear, self-conscious success. We we not so familiar with this artist's work, we should be mightily impressed. As Marguérite, Yvonne Minton is in beautiful voice, beautifully recorded, and offers a memorable "D'amour l'ardente flamme."

Jules Bastin, himself no mean Mephisto, makes a sterling Brander. Placido Domingo is a curate's egg of a Faust. His ringing tones are splendid in the Invocation to Nature, and he can be sensitively gentle (as in his scenes with Marguérite) — and yet there are times when he seems to be on mere nodding acquaintance with the score.

The composer's expressive markings and even his note- values go quite by the board, with no apparent gain achieved by these liberties. To Domingo are owed a few of the most stir- ring moments in the perform- ance, and also recurring doubts about the fitful stylistic inten- tions of the whole affair.

The engineered sound is rich but odd, with the soloists arti- ficially close and the chorus sometimes receding muddily into the background, yet there are some ensembles rendered in preter-naturally crisp detail. This is by no means a negligible album, and I must simply urge some judicious sampling.

Sinead Cusack and David Suchet

Leonard Burt

Aldwych

Measure for Measure

by B. A. YOUNG

A new Angelo and a new Isabella since this production played at Stratford last year, both of them interesting. David Suchet gives Angelo the cold distinction of a portrait by Velazquez, yet there is much subtlety in his playing. Almost at once, see the momentary doubt with which he takes up his place at the Duke's desk; mark the increase of confidence that experience gives him, until he even believes that to seduce a novice in a nunnery will be as easy as pronouncing a death sentence.

Sinead Cusack partly en- courages him in this, by allow- ing herself too much familiarity with him when she pleads for her brother's life. She leans on his desk, even grasps him by the arm—such unexpected warmth from a religious votary before the first citizen of the state that he might well read some hope in it. There is little of the devotee in this Isabella; she seems more like a pleasant country girl. Indeed a certain rustic air blows through a good deal of the evening. Mariana (a nice performance by Natasha Parry) lies on a hay-rick while her two boys sing "Take, O take those lips away" in the prone position; and when the Duke comes to explain the trick he has organised to win her a husband and to reprieve Isabella's brother, he lightly kisses both the girls on the cheek.

Michael Pennington's Duke, who begins splendidly, becomes oddly playful once he has doffed his official robes and put on a friar's habit. He looks younger than most Dukes, and he is well served by a humorous Escalus in the person of Raymond West- well (who plays the scene with Elbow and Pompey beautifully). As Friar Lodowick he seems to regard the character as basically comic. Well, it's a difficult character; a liar, a cheat, a coward, happy to keep Claudio in suspense ("Be absolute for death") and Isabella too ("Tomorrow he must die") when he could relieve either of them with a stroke of the quill. But funny I never thought him before. Perhaps he is just teas- ing these young people, as he teases Angelo at the end with his execution, and Lucio (a nice mature Lucio by John Nettles) with marriage to a punk. (That got a good laugh, you may be sure.)

These eccentricities mar what I thought an exceptionally good production by Barry Kyle. It is set inside a black box, designed by Christopher Morley, a box which by manipulation of the two side walls can turn instantly from one room into another. Crank up the fourth wall from its horizontal position downstage and you have the city walls, which we see on the Duke's return from the outside. Brian Harris's lighting brings the characters into sharp relief against the dark background.

Comedy is emphasised wherever possible. Richard Griffiths is hilariously funny as Pompey, and Geoffrey Fresh- water makes Elbow's malapro- pisms more amusing than they often are. Darlene Johnson as Mistress Overdone is clearly the wreck of a once-pretty woman; when she is finally taken to gaol her red wig comes off as Mary Queen of Scots's did on the scaffold.

Festival Hall

London Philharmonic

by DAVID MURRAY

After their fine performance of Mozart's Don Giovanni Over- ture,—weighty but pon- derousness and then sprinting away exuberantly, Bernard Haitink and the LPO were joined on Tuesday by Clifford Curzon. The work was the C minor Concerto K.491, which Curzon must by now have played as often as Van Cliburn has tackled the Chaikovsky First, and it sounded as freshly studied as one could wish. No detail of Curzon's part failed to make a point—his thoughtful treatment of repeated notes was a remarkable lesson in itself— but always within a natural con- tinuity. The easy lyrical flow suffered not a single hiccough; Curzon can shape a long para- graph as if it were perfectly obvious, and yet reveal new subtleties in every phrase.

Haitink graded the orchestral part scrupulously to Curzon's gentle scale. The Concerto will of course bear a reading with greater drive and fire than Curzon is likely to bring to it these days, but one missed none of that: his lovingly intro- spective account had its own utterly persuasive sense. It was the chief cause for gratitude in this concert, for Ravel's Daphnis and Chloe, a work of considerably larger dimensions and by no means lightweight, somehow limped.

Haitink enjoys long acquaint- ance with the score, and the extremely reliable John Alldis Choir was on hand to supply the vocal dimension that Ravel always insisted was crucial to his symphonic ballet. There were, however, continual signs of flagging concentration. The trumpets sounded out of sorts throughout the piece, and made little of their sudden bursts of colour; the horns, when muted, often made strangulated noises when Ravel wanted them merely hushed; the choir barely clung to true pitch in the perilous a cappella interlude. There were insensitively literal wind solos, and glaring splices when a line was handed from one in- strument to another—especially at the great Lever du jour climax, which wants a seamless ascending curve. The end was decently exciting, if hectic; but the whole seemed unwontedly bitty and unconfident. This was a performance that the orchestra will be happy to forget.

Covent Garden

Romeo and Juliet

Wendy Ellis's dancing delights by its academic propriety: always clear, pre- cise in outline, it has qualities of honesty allied to a still youthful eagerness of pulse. Her roles have quickness of tempera- ment; we sense a precious gift of enthusiasm and brightness of utterance which gives them a continuing freshness of pre- sentation. So her Juliet on Tues- day was touching in its inno- cence—an exact reflection of those simple scale passages with which Prokofiev first identifies Juliet—and she suggested how vulnerable the girl was in her love for Romeo, and how much she must seem a victim of forces which she cannot comprehend.

If, with Seymour or Maka- rova, Juliet becomes more than this—a symbol of grand passion that sweeps impetuously to dis- aster—Miss Ellis's reading is valid, and lacking nothing in pathos: I found her despair in the final act very moving because she showed Juliet caught helpless in events beyond her comprehension.

Her Romeo was Julian Hosking, new to the part this season, and still working on the surface of the characterisation and the choreography. He has yet to give himself fully to the emotion that will drive him through the dances as through the dramatic intrigue.

When he has immersed him- self in the part, allowed his infatuation to impel him with a heedless energy that can only end in the tomb, he will prove himself a true Romeo. He has the physical presence and sen- sitivity that are needed; more experience, and more daring, can fortunately come with time. What must also help is a fuller- blooded and more passionately involved account of the score than we heard on Tuesday: young love has rarely sounded less musically probable than in the dull account of the balcony duet.

CLEMENT CRISP

Oxford Playhouse

Touch and Go

D. H. Lawrence's Touch and Go was written in 1919, and has until now defied production; frankly, it shows Lawrence's thinking, his creative spark, at its very worst, and presumably it is only because it has some crude similarities to the politi- cal situation of our own day, that the director, Gordon McDougall has seen fit to give it a production, although one without full decor, but with decent costumes. Indeed it is this treatment, played as it is on the engaging open stage, that the Playhouse has evolved for their recent Lear which brings distinction to some of Law- rence's better purple patches.

The piece contains numerous, undigested raw elements: first there is the love affair of Anabel Wrath and Gerald Barlow, resumed in a mining village after being broken off some years earlier by Anabel; then there is the labour v. capital idea worked out in the clash between the uncompromising Gerald, son of the coalmine owner, and Job Arthur Freer, leader of the coal clerks, then we have the Shavian, philan- thropic idea of Gerald's father who has good in his heart and is really on the side of the men; then, the ghastly crypto-fascist rumblings of Lawrence's ideas about purity of the blood, in Gerald's mother; even more dis- mal, Lawrence's pseudo- intellectual strivings towards culture, which poor Anabel has to shoulder, by being a sculptress.

There isn't a character worthy of the name. Gerald, who finds better realisation in Women in Love, behaves like a bad melo- dramatic villain. Anabel, Winifred, Mrs. Barlow, all flounder about looking for some consistent thread. Mr. Barlow, played by Tenniel Evans, is slightly better served, in spite of being described as "wasted and crossed out like a mistake"; Job Arthur Freer, played by David Haig, also awakens interest—before he becomes hell-bent on trying to murder Gerald.

As for the abrupt stereotyped action this is often laughable. Anabel's previous, and Nordic, lover is described as "glisten- ingly blond . . . like the Aurora Borealis."

GARRY O'CONNOR

هكذا من الأصل

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The logic of Lusaka

THE RHODESIA Conference, Sir Ian Gilmour told the House of Commons yesterday, is moving towards a conclusion. "We are," he went on, "very close to a settlement which is fully consistent with the communique of the meeting of the Heads of Commonwealth Governments in Lusaka."

It seems unlikely that the Government would have made any such statement if it had not been reasonably confident that an agreement is in sight. True, there are difficulties still ahead. The agreement of the Patriotic Front to the new constitution, for example, is conditional on satisfactory arrangements being reached for the transitional period and the negotiations on a cease-fire have yet to begin. But the conference has moved a long way since it opened nine weeks ago and the arrival of President Kaunda of Zambia in London today suggests that all parties are now anxious that it should not fail in its final stages.

Sanctions

It is therefore entirely right that the British Government should be taking steps to enable it to put an agreement into effect once it is reached. That is the purpose of the Southern Rhodesia Bill which the Government hopes to put through the House of Commons in all its stages today. Nothing, in our view, would be gained from delay.

It is also right that the Government should stand ready to end the economic sanctions against Rhodesia (which in the normal course of events would come up for renewal next week) in case agreement is reached. Sceptics may say that the Government is equally concerned to avoid a row in its own ranks by refusing to prolong a measure that has always caused divisions in the Tory Party, and to a large extent they would be right. But it is also the case that if agreement is reached at Lancaster House, Britain will again assume responsibility in Rhodesia. The maintenance of sanctions in those circumstances would amount in effect to penalising a territory which had already returned to legality. It is right that they should be lifted as soon as the newly-appointed Governor takes office.

For the rest, and assuming that the conference succeeds, it is now largely a matter of following the logic of the Lusaka agreement. That agreement said that there should be "free and fair elections, properly supervised under British Government authority, and with Commonwealth observers." It was apparent at the time that that was a high risk strategy and the risks have not diminished since. It requires little imagination to realise some of the pitfalls that may lie ahead. The cease-fire, for instance, is likely to be precarious. There may well be incidents and possibly killings. The responsibility on the Governor and on his advisers will be a heavy one. Yet once Britain had accepted the Lusaka principles there was no escaping this course.

It would be naive to pretend that the Government is not at least as aware of the risks as anyone else. Its aim now must be to keep the transitional period as short as possible while at the same time ensuring that it is compatible with the holding of free and fair elections: two months may be too little, but anything over three months could be dangerously long. It must also seek to align the front line states behind a cease-fire. That is one reason why the presence of President Kaunda in London at this stage could be so important. Not least, the Government must make sure that once the elections are over Britain will be able to disengage as quickly as possible.

Open-ended

It is a policy fraught with danger, but one which became impossible to avoid in the light of the Lusaka agreement. What it is essential to prevent, however, is an open-ended commitment. Britain has done its best to fulfil its part of the bargain. It cannot be asked to do more. The onus now must lie at least as much with the front line states to persuade the leaders of the Patriotic Front to reach an agreement that will allow elections to take place. They too must have an interest in a settlement at last.

Cheaper can be better

THE EXISTENCE of plans for cuts in British Rail's uneconomic rural services was yesterday vehemently denied by the Government, angrily condemned by the unions, and tactfully confirmed by the British Railways Board. Sooner or later some of the plans for cutting under-used branch lines, plans which have in fact existed as possible options since 1975, will have to be put into effect. When, in 1976, the Labour Government resolved to reduce steadily the amount of public money available for subsidising the railways, it became inevitable that eventually the attempt to maintain the railway network in its existing form, which the 1974 Railways Act enshrined, would become insupportable. This year, a £20m cut announced by the Labour Government followed by another cut of £22m announced last week have brought the day of reckoning uncomfortably near.

Consequence

Instead of feigning astonishment and indignation at the "leak" about the possibility of rail cuts, it would be better if the Government and the unions admitted that reductions in rail services are a direct consequence of their own actions. The Government cannot insist that railway service must remain unaltered if it instructs the British Railways Board to behave commercially and to reduce steadily its demand for public funds. The rural services are an enormous drain on British Rail's resources. Unlike the inter-city and London commuter services, they do not generate enough revenue to contribute anything to the network's £586m of overhead costs. In fact their revenues of £46m in 1978 barely covered half their direct operating costs of £82m. If the Government is really determined to preserve the rural services, while cutting the railway's subsidy, it should admit that it expects London commuters and inter-city travellers to bear the cost.

The unions, for their part, should realise that their resistance to change in many areas of the railway's operations, including freight marshalling, double manning of trains and station staffing, have greatly weakened British Rail's financial position and have been a major factor in successive governments' determination to reduce its access to public money. While overmanning and inefficiency are rife, there is little prospect either of the pay increases that are required to overcome local staffing problems in London, or of improvements in the quality of service which would attract more passengers and might produce a greater willingness by taxpayers to subsidise the railways.

At a time of economic stringency, Britain's railway services will only be improved, or even maintained, by means of genuine rationalisation. This is a term which does not mean, as the unions would have the world believe, "wholesale destruction." It means the introduction of more rational modes of operation, which is precisely what the rural train services urgently require. A rational system of rural public transport would be much better, as well as much cheaper for the nation, than the cumbersome service which British Rail is at present forced to run. Schemes for the constructive rationalisation of the branch lines have existed for years.

Early in 1976 the British Railways Board suggested to the Government that a significant (though unquantified) reduction in subsidy might be achieved if part of the rural rail network, perhaps eventually amounting to as much as 10 per cent of total rail passenger miles, were replaced by bus services. Unlike the irregular and ephemeral bus services that followed the rail cuts imposed by Lord Beeching, these buses would run to railway timetables, as an integral part of the railway network and would be guaranteed by British Rail to continue operating for the indefinite future. Their survival would be underwritten by the same statutory provisions of the 1974 Railways Act which currently prevent branch line closures without explicit Government permission.

Substitution

In 1977 the Select Committee on Nationalised Industries suggested experimental bus substitution as the first of its recommendations for improvements in British Rail's operations. In its reply to this report, the Government avoided responsibility for any such experiments and suggested instead that local authorities should be brought into discussions. Two years later, no bus substitution experiments have been sanctioned or even planned. Now that a Government willing to embark on bold experiments is in power, it is time for this procrastination to end.

Days of demoralisation at the EEC Commission

By GILES MERRITT and MARGARET VAN HATTEM, in Brussels

MR. GUNDERLACH 'Part of the nucleus.' — MR. JENKINS 'Uncertain future.' — HERR HAFERKAMP 'Rumbling discontent.' — M. ORTOLI Returning to France?

THE EEC Commission is being branded by many of its staff and also members of government delegations as the sick man of the European Community, and the decline in its reputation coincides, unfortunately, with a gathering financial crisis that could shake the foundations of the Common Market.

Staff at all levels in the Commission say they are demoralised by the low standing of most commissioners in the eyes of member governments.

Just when the Brussels Commission should be at its strongest and most capable as the EEC's crisis manager it will instead, on present showing, have succumbed to terminal paralysis. For 1980 is to be the crunch year when the Community runs out of money. It is also the outgoing year for a Commission which has prematurely become a lame duck — internally demoralised and externally eclipsed by the European Council.

As many as nine of the present 13 commissioners are likely to leave Brussels at the end of next year, and the total could be 11. Some are already preoccupied with planning their future careers. The question increasingly being put — in Brussels and other EEC capitals — is whether the Commission should not break with tradition and review its membership before its four-year term is up. An infusion of new blood, it is argued, is essential if the Commission is to make a positive contribution to EEC policy-making in 1980.

Bankruptcy deadline

That the Community is near bankruptcy is no longer in doubt — the only remaining question is whether funds run out in six months or 12. The approaching deadline has intensified pressure on the Community to sort out its finances just to keep afloat while it tackles the two other fundamental problems confronting it—the Common Agricultural Policy, and EEC Enlargement to include Greece, Spain and Portugal.

Although the term "reform of the CAP" inevitably produces groans in Brussels, it is generally accepted that the current 70 per cent of EEC spending that goes on farming is too high, particularly since most of it goes to richer countries such as France and Germany. More will have to be directed towards regional and social policies which would directly benefit the Community's poorer economies if the EEC is to approach its basic goal of economic unity. But unless the CAP is brought quickly back into line, it is certain to rocket even further out of control once Spain, a major agricultural producer, joins the Community.

These problems were already emerging at the start of 1977 when Mr. Roy Jenkins took over as President of the Commission. At that time morale was low in the Commission, but it was widely hoped that a politician of Mr. Jenkins' stature would set it back on course. Mr. Jenkins immediately identified the Commission's weakness, commenting that "the member states have recently gone too much their own way" and adding that is was time for the Commission to "break out of the citadel or wither within it."

The Commission, as a body independent of the nine governments, had an essentially political role, he said, and must "move the political representatives of member states in the council to make binding and effective decisions." Under his presidency, the Commission would aim above all to come to terms with the CAP which, he warned, was "threatened as never before" by food surpluses, shrinking markets and currency fluctuations. A close review of long term EEC objectives would have priority that year. The other principal aims of his presidency were to put in place common policies for fisheries, industry and energy, and to co-ordinate action to alleviate structural unemployment.

In the three years following this bold policy speech, the Commission has performed dismally on most of these counts and has seen much of its authority taken away by the European Council; the thrice-yearly meetings of EEC Heads of Government. This has turned into a floating Euro-Cabinet, taking the lead in such initiatives as the launching this year of the European Monetary System.

The turning point for the Commission was probably the European Council meeting in Brussels last December when, concerned by the irresponsibility and waywardness of the farm ministers, it tried to wrest from Heads of Government a formal commitment to attack farm surpluses. But government leaders were more interested in the EMS and Mr. Jenkins, anxious to see it successfully launched, gave way on the farm issue.

This failure led directly to the disastrous farm price settlement in June this year when farm ministers, unchecked by their leaders, threw out most of the Commission's carefully formulated proposals and agreed a package which added $1.4bn to the Community's budget estimates for 1979. These made no provision for an increase of this size but once again, the Commission failed to make a stand and quickly produced a supplementary budget to cover the farm ministers' council decisions.

Loss of nerve repercussions

The Commission's loss of nerve on farm spending is widely seen as a major factor accelerating the collapse of the present system of financing the Community budget. Under the "own resources" system, introduced this year, member countries pass on to Brussels the customs duties and agricultural levies collected at their frontiers on imports from countries outside the EEC. These are topped up by a portion of national added value taxes, currently about 0.8 per cent of the total assessed in the Nine.

When, just over a year ago, the Budget Commissioner, Mr. Christopher Tugendhat, warned that on present spending trends these means would be exhausted by 1981, he suggested that any short-term deficit should be covered by raising the VAT contribution above the 1 per cent limit earlier agreed by governments. Since then, farm spending has brought forward the deadline while both Germany and Britain have declared that they will not contemplate increasing their VAT contributions. Their veto effectively kills the proposal.

But, some time in the next 12 months, EEC governments must accept either a big cut in farm spending or a steep rise in their budgetary contributions. Amid economic uncertainty and tight domestic policies, both are politically unattractive. The Community's commitment to accept the three Mediterranean countries as members, all of which expect to be net recipients from the budget in their initial years, increases that pressure. Neither Chancellor Schmidt of West Germany, who faces an election next year, nor President Giscard d'Estaing of France, up for re-election in 1981, is likely to accept unpleasant decisions unless they can show their voters that their hands are being forced. Now, more than ever before, it is up to the Commission to take the lead and give them this political alibi. But the present Commission is in no shape to twist French or German arms.

The list of Brussels commissioners expected to quit, voluntarily or at the behest of their national governments, is long. At the head is West Germany's Herr Wilhelm Haferkamp, the vice-president in charge of external relations. Rumbling discontent in Brussels about his performance in this key post erupted early this year when he was singled out as having systematically overspent on his expenses account. The second West German commissioner, Dr. Guido Brunner, has pre-empted criticism of his capacity in handling the energy portfolio by accepting nomination as Liberal candidate in the 1980 Bundestag elections for a Stuttgart constituency, and will soon be taking up an academic post at Stuttgart University.

The Social Affairs Commissioner, Mr. Henk Vredeling of the Netherlands, is not expected to stay. Sig. Lorenzo Natali, an Italian commissioner in charge of enlargement negotiations, has indicated discontent and recently threatened immediate resignation in protest against what he felt were inadequate office facilities and lack of support from some of his fellow commissioners. Italian observers also doubt whether his colleague, Sig. Antonio Giolitti, will stay on.

M. Raymond Vouel, the Luxembourg commissioner who handles competition, has apparently told his staff he will not seek reappointment, and neither of France's two commissioners look likely to return to Brussels in 1981. M. Francois-Xavier Ortoli, a commission veteran and former president who now controls economic and monetary affairs, wants to return to France. M. Claude Cheysson, who handles relations with developing countries, is a Socialist whose relations with President Giscard's Elysee Palace staff have not been cordial.

Internal political considerations also cast a shadow over the two most junior commissioners: Ireland's Mr. Richard Burke, a legatee of the defeated Fine-Gael-Labour Government who can expect no favours from Fianna Fail Premier Mr. Jack Lynch; and the Budget Commissioner, Mr. Christopher Tugendhat, a former Tory MP nominated by the Callaghan Government and by no means Mrs. Margaret Thatcher's first choice.

Mr. Jenkins's own future is uncertain. Despite Brussels rumours that he might be the first EEC President ever to get a second term—a move said to appeal to Chancellor Schmidt—there are signs that other governments are less impressed with his performance and consider his dedication to the role of European statesman has led him to neglect important internal policies.

This could leave only Farm Commissioner Finn Olav Gundelach of Denmark and Belgium's Viscount Davignon, the Industry Commissioner, to form the nucleus of the next Commission. Both men, though highly capable in mastering the technicalities of their difficult portfolios, have failed to win support in the Council for unpleasant but nonetheless crucial policies.

Member governments must take some share of the blame for this unhappy state of affairs. It is, after all, they who have appointed and re-appointed commissioners who have performed unsatisfactorily; and they who refuse to support Commission policies the governments privately advocate.

Staff movement problems

Most probably, the political problems of re-shuffling the Commission ahead of time would be as nothing to the difficulties involved in the premature moving from Brussels of the hundreds of seconded civil servants and political appointees who make up the commissioners' private offices. The need for greater internal flexibility throughout the 6,000-strong Commission was recently stressed in the Spierenburg Report on reform priorities.

It is, however, the results of the forthcoming "three wise men's" report on ways that the balance of power between EEC institutions should be improved that ought to be the key to revitalising the Commission's role. The study by the independent three-man team, which includes the former British Trade Secretary, Mr. Edmund Dell, is to be discussed by EEC Heads of Government at the European Council summit meeting in Dublin in three weeks' time. Together with Council's review of next year's looming financial crisis, the report could prompt the leadsr of the Nine to back a 1980 spring cleaning at the Berlaymont, the Commission's headquarters. Ceding power back to Brussels would at least spread the blame in what promises to be a very testing year.

MEN AND MATTERS

Mobilising an army of words

To a British newspaper reading public inured to full-page tracts extolling the merits of Kim Il-sung and others, Mobil's two-page corporate monologue in the New York Times this week might have passed almost unnoticed.

Americans also have become used to Mobil's curiously high-brow corporate advertising, the brainchild nine years ago of one Herb Schmertz, now a director and vice-president for public relations.

Mobil is spending the unusually large sum of $310,000 on running its latest advertisement: "How CBS on October 24, 1979, prefabricated the news." This is also gracing Time magazine.

The advertisement is accompanied by another headlined "19 dull and unsensational facts about our profits the TV networks didn't tell you—and won't allow us to tell you." The first includes a transcript of a brief CBS news item alleging that by careful book-keeping Mobil is presenting profits made in the U.S. as profits made abroad. "The worst, the most unfair report on Mobil earnings that we've ever seen," rages the oil company.

The text is clearly aimed, as a Mobil spkoesman in New York admitted to me, at journalists, businessmen, "thought leaders" in general, and above all Congress. It is hard to imagine anyone reading it for light relief, certainly. Mobil has, as it sees it, taken on the role of presenting the oil industry's case in a climate increasingly hostile to it.

An editorial article by Schmertz in the current issue of the U.S. business magazine Fortune takes up the cudgels at even greater length: "The real energy story," he writes, "has been the political manipulation and prostitution of the energy issue. The Press has simply ignored it." He raises another, older spectre. Politicians and pundits such as the actress Jane Fonda who vilify the oil companies are, he says, often dedicated to the overthrow of the capitalist system itself.

For Mobil the most painful part of its set-to with CBS—which incidentally sticks to its story—is that it has been refused space on the air, "even when we offered to buy additional time so that those who differed with us could reply at our expense."

CBS is unmoved by this argument. Vice-president Gene Mater pointed out yesterday that the network had obtained a Supreme Court Judgment in 1973—against the Democrats' Action Committee—that no one had a statutory right to air time. "Our policy," he says, "is not to accept editorial advertising. It is not a question of not wishing to bore people. Commercial advertising time is limited and we don't want to turn it over to lobbyists."

Loose knot

British parliamentarians have been exercised by a report in this column that some Canadian MPs are trying to revoke a rule "inherited from Britain" that ties must always be worn in the House. I gather that no such rule does exist here, although the office of the Sergeant-at-Arms cannot recall seeing any member (however radical) taking his seat improperly dressed.

If one dared to, "the leader of his party would doubtless have a quiet word with him." In the Lords, the hereditary peers often show themselves above such pettifogging matters: Lord Kilbracken wears an open-necked shirt and Lord Avebury sports a Mao Tse-tung jacket.

In neither chamber has anyone tried to lay down the law to women, who often wear trousers. The style was set by Lady Llewelyn-Davies—perhaps because as Labour chief whip in the Lords she was formally called Captain of the Gentlemen at Arms.

Hoare checked

I must apologise to chess fanatics for being so tardy in bringing the results of the recent encounter between the Bolton chess prodigy, 14-year-old Nigel Short, and 31 City men he took on simultaneously. It is perhaps significant that none of the contestants came rushing to my door after the 3½ hour session: Nigel beat 26 of them outright, drew against another four, and lost to a fellow Northerner, Tony Fisher, of Federated Insurance in Manchester. The last to finish was Sir Frederick Hoare, managing partner of Hoare's Bank. "Sir Fred was in a lost position for a long time," says one of the organisers unkindly.

Stockbrokers Grieveson Grant, who sponsor the British chess championships, plan further simultaneous matches. Short and the other luminaries of chess can expect stiffer competition, apparently: "The players who come back are the stronger ones. The opposition gets better by natural selection."

Old lanes

Yesterday was supposed to have been the day that members of the European Parliament entered the electronic age with press-button voting. The 410 MEP's desks have been kitted out with rows of coloured buttons—yellow to turn the system on, white for abstention, red for no, green for yes and blue for secret. On either side of the presidential platform were gigantic electronic score-cards, such as might be used in a sophisticated game of jeux sans frontieres.

The parliament's officials had rushed to instal the system in time for this week's budget debate, which ended in an orgy of voting on over 300 separate amendments. In the event, the electronic score-cards stayed blank. The MEPs voted manually, just like their non-elected predecessors — raising their hands, time and time again, and occasionally standing up to show approval on close votes. For four hours they went on voting, their hands visibly beginning to sag.

It had been thought that left wingers might try to stop the parliament using the electronic voting system. But the decision to vote manually yesterday had nothing to do with outside interference: it was simply that the system did not work.

Some MEPs were secretly relieved not to have been forced to use the new gadgets. The old "hands up" system at least means that the less astute members of a political group know how to vote. Rather than having to follow a detailed voting card they can merely watch the hand of their leader, like an unsteady orchestra following the first violinist.

Passing on

Private enterprise lives, at least in Manila. Some of the thousands who dutifully prepared to mark All Saints Day by keeping nightlong vigil at the graves of relatives were disconcerted to find that the bones of their dear ones had been disinterred and replaced by the remains of others. Outraged inquiries elicited the fact that staff of the memorial garden concerned had received more lucrative offers from the families of the newcomers.

Perhaps this is not altogether surprising in a city which boasts the only cemetery in the world which contains a night-club. Prorietor Bienvenido de la Cruz explains: "We had been looking all over the place for a site, but rents everywhere were too high."

Observer

ECONOMIC VIEWPOINT

America wallows in self doubt

.NYBODY expects official ington to be buzzing with ssion of the Fed's October ft of emphasis from the al funds rate to the control onetary reserves, he does ppreciate what makes that ick.

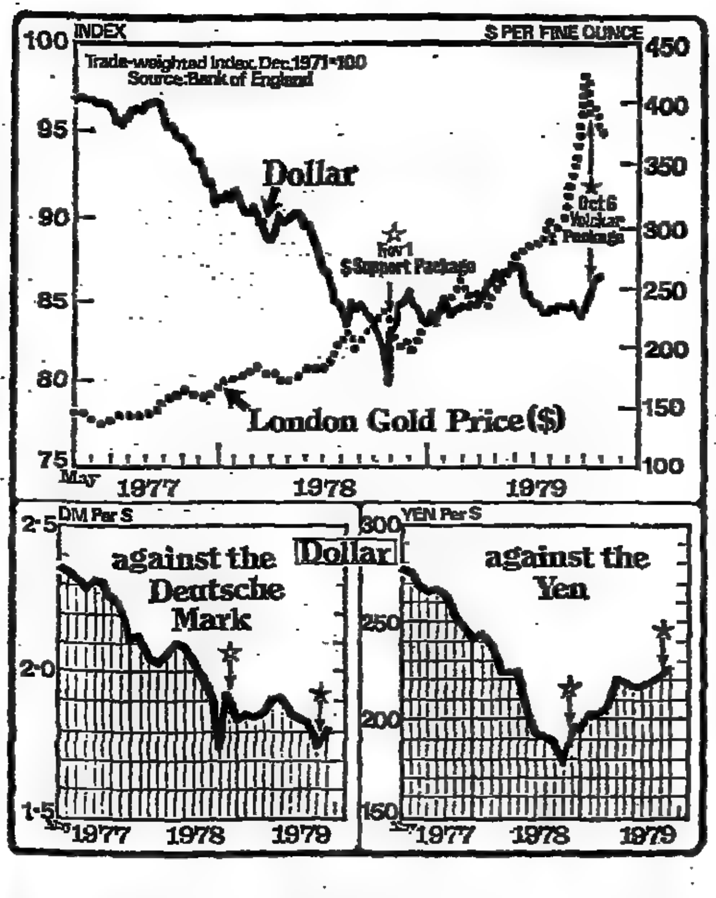
e Fed decision may or not turn out to be historic g-time monetarists are to keep their fingers ed. But in the meanwhile are just two main topics olitico-economic conversa- the Carter-Kennedy race petrified obsession with upplies and prices. If a more highbrow topic is t it is the slowdown in U.S. ictivity growth over the our or five years to a bare cent per annum—that is ritish rate. This has done prising amount to under- the self-confidence of a e who have been brought expect every year to be than the last.

unkind wit, commenting Senator Kennedy's chal- to President Carter, ked that "Americans have disappointed with the fake and now are going to turn eal sinner." Nor is there comfort to be gained from epublican side. Even some Ronald Regan's former are beginning to doubt ler the ex-Governor of rnia, who will be 70 17 after 1981 Inauguration has what it takes. Mr. Connally, Mr. Nixon's r Treasury Secretary, and er Republican front r, sounds like an unguided e when he talks of either national policies or mics. This leaves the ral" Republican hopeful, e Minority Leader, Mr. rd Baker, who is no doubt guy.

en they move from nalities to energy problems, even the most normally forthright members of the Carter Administration will ask to go off the record. My own visit was before the latest troubles in Iran; but even then the prospect of Middle Eastern countries cutting back their production was causing alarm. About half of U.S. energy supplies comes from oil and of that a half is imported. The pessimists fear that U.S. output will be held down next year by physical shortages. The slightly less pessimistic merely fear that U.S. inflation will not come down from its present 13 per cent rate to its supposed underlying rate of 8 to 10 per cent but stay up and even rise; while the recession will be correspondingly more severe.

Even the Council of Economic Advisers does not believe it possible for the U.S. to spend its way out of a recession associated with double digit inflation or an oil price shock. But it would be untrue to suppose that U.S. public—or at least politically active—opinion attaches top priority to controlling inflation. Fear of depression is now greater among U.S. policy makers than fear of unemployment in the UK; and this would have been true even without the change of government in Britain. The mood was well illustrated by the spate of newspaper articles on the 50th anniversary of the Wall Street crash on October 29, the tenor of which was that it could happen again. Mr. Paul Volcker is if anything over-sensitive to charges that his new monetary policy is aggravating next year's recession risk.

On energy, pessimism is becoming a substitute for rational action. Price control on oil is due to be phased out by September 30, 1981. But the Wall Street Journal suggests that the windfall profits tax on oil companies, now going through Congress with bi-partisan support, is really "an excise tax on the U.S. production of oil," levied at varying rates on categories borrowed from the price control mechanism.



Analysis needs to go a good deal deeper than it has done so far. The basic reason for high oil company profits (apart from accounting distortion) is the multi-tier OPEC price structure under which some oil producers are selling at well below the price obtainable in world markets. For the moment American oil companies, supposedly in non-U.S. operations, are able to gain some of that difference.

Whereas the 1973-74 oil price explosion was partly at least due to cartel action, the present instability is of an opposite kind. Some Middle Eastern countries are extracting more oil than they consider justified, either on an economic comparison of the expected return from investing sales' proceeds with the expected return from keeping the oil in the ground, or from a social assessment of the amount of oil-based development their internal economies can wisely absorb. Production policies based mainly on pro-Western solidarity are not a durable basis for the future, and it is not surprising that they are being revised.

None of this is to say that the real oil price is headed uniformly upwards. A world recession could easily puncture the Rotterdam spot market and lead to a temporary downward pressure as in 1975-76; but there is an underlying instability due to the more-than-necessary intrusion of politics into output and pricing decisions. The sooner that oil prices move to a level which will clear the market for willing sellers and buyers, the sooner the world economy can return to normal, and the sooner will energy-saving and substitution begin in earnest.

If an element of policy is wanted, it should surely be an excise duty on consumers, not producers, to reflect the element of national risk in oil dependence, which the individual consumer may not take adequately into account. When one hears in reply "What will this do to the gasoline bill of the Nebraska farmer?" one feels that British politicians are almost rational by comparison.

The one element of good news emphasised by U.S. policy-makers relates to the current trading account. The non-oil trade account has been improving as a result of the real depreciation of the dollar; and if the widely predicted recession is at all severe the swing could go much further.

Even with good luck on the trade balance and monetary front, a major recovery in the dollar is not expected for next year. Members of the Administration are quick to point out that a rising dollar would be an opportunity for official dollar holders to diversify. My impression is that they are pleased with the favourable impact of the Volcker package, but do not really want to see the dollar rise very much further.

A refreshing change compared with a year ago is that few people attempt to belittle the relation between the external and internal value of the dollar. The old estimate that a one per cent fall in the dollar is associated with a 0.1 per cent rise in domestic prices has not been revised, but hardly anyone believes it any more. The trigger which sparked off the Volcker measures was however the renewed upsurge in commodity prices at the end of September, which was seen as a sign of inflationary psychology taking hold.

Lagging wages

The Washington economic establishment sees inflation differently to its British counterpart, but not basically from a monetarist standpoint. The U.S. unionisation percentage is very much lower and wage increases have lagged behind prices. So it is difficult to put the blame on union wage push. The Washington model suggests that an "underlying rate" of inflation is determined by productivity and labour compensation per man hour. Administration advisers accept that the upward drift in inflation has been due to excess demand and now admit that they very much overestimated the degree of slack in 1977-78, when they took the unemployment and unused capacity figures too much at face value.

Their present reason for supporting incomes policy is that the upward movement of costs, once established, is said to be insensitive to downward pressures from the demand side, even in a severe recession. But no-one explained to me how the voluntary wage guideposts (at present being renegotiated) can break this upward momentum. Such guideposts in all countries usually offer cost of living compensation plus, which leaves little room for de-escalation.

Indeed the combination of nearly static productivity and unfavourable oil-induced movement of the terms of trade means that U.S. citizens have to accept a reduction in real living standards, to which they are as resistant as the British were in the face of similar pressures in 1974-76. The one difference is that British workers' resistance took the form of wage pressure, whereas in the U.S. it has taken the form of high spending and low savings. This is one reason why the much predicted U.S. recession has been so late in coming—the third quarter GNP figures surprised analysts by reversing the earlier fall. It is not difficult to guess that unions will become more militant in response to inflation: and that as in the UK, this will generate a misleading union militancy explanation of rising prices.

There are mixed views on whether the Volcker package will avert these dangers. The prime rate has since risen from 13.5 per cent to 15½ per cent, and the Dow Jones Industrial Average has fallen by about a tenth; and there is even gossip about loss-induced suicides in the bond market. Much will depend on whether it is really true that thrift institutions have ceased to make home loans, because they are not allowed to raise interest rates to stem a drain of funds.

It is still far from certain how effective the Volcker package will really be in slowing down monetary growth. The October 6 announcement was careful not to define the "reserves" which open market operations would try to influence. In the subsequent month, while non-borrowed reserves fell slightly, there was a sharp rise in total reserves — 24 per cent at an annual rate. The Fed is not yet ready to discourage such borrowers by making its discount rate into a penal rate above the money market levels. It regards the October upsurge as a temporary adjustment to the new system, and believes that borrowings at the discount window will soon be discouraged. Seeing will be believing.

Much more important than the technical worries is a doubt about how far the Carter team, with the Kennedy forces breathing down their backs, will really back the Fed's anti-inflation drive. The former Treasury Secretary, Mr. Michael Blumethal, has already condemned the Administration's half-heartedness and poured scorn on attempts to adjust downwards the measured inflation rate. A few days after the ex-Secretary made these remarks, Mr. Miller, the most political member of the Carter economic team, criticised the "timing" of the Volcker package, saying he would have acted differently.

Too late

The main reason for hope is that it will soon be too late for any monetary and fiscal expansion to affect the economy in time for the 1980 election even if one believed the conventional stimulation arithmetic. So President Carter might as well try to cash in on being the more anti-inflationary of the two Democrat contenders. But this too will not be easy when an inflation rate of 10 to 13 per cent is the best that can be expected next year, assuming that there are no further nasty external shocks.

Samuel Brittan

Letters to the Editor

dex-linked ock

the Economics Research ger, Standard Life ance Company

—Taylor and Threadgold's on "Real national sav- reported on by Peter l in Lombard (November useful in quantifying the made by the Government borrowing when inflation enough. They show that justed public sector bor- requirement has been small except in 1978—the when inflation was rela- low, and the Government's from inflation therefore r.

great deal of Government is on fixed interest terms ng durations at rates of st from 10 per cent to 15 ent. One can treat 13 per nterest as 3 per cent real st and 10 per cent com- tion for inflation. The burden of the debt will n modest so long as infla- stays at or above 10 per But the Government (or axpayer) cannot afford to inflation to fall much 10 per cent, when the lebt burden would become reat.

Government cannot afford duce inflation unless it is red to borrow long on -linked terms. Source in- rs want real returns, not y returns, and would be prepared to accept 3 per indexed stock in place of r cent fixed interest. The l holders of long-term —mainly pension funds insurance companies— l change their portfolios dingly.

y I appeal to the Govern- and to the investment com- ty to consider favourably ssue of index-linked long- stock at suitably low ons. Without such stocks xisting debt will prove an erable obstacle to reducing ion. No tax-paying elec- e is going to pay holders overnment stock a real 13 cent on their loan, and tors may as well recognise Equally, investors will lending long even at 13 cent if expected inflation ins high and uncertain, the Government is likely d that financing its large y PSBR—a very large part hich is required to pay est on debt—becomes in- ingly difficult or expensive out indexed stock.

. Wilkie,
iard Life Assurance
pany.
Box No. 62,
orge Street,
burgh

olour TV Israel

the Chairman, Industrial Consumer Product panies, Rank Organisation

—On October 24, you re- d that the Rank Organisa- had signed a contract for istribution in Israel by the li Electra Company for r TV sets. Electra was re- d as at present negotiating Rank on the possible intro- on in Israel of electronic for local markets and for rts. Other reports emanat- from Israel stated that ra was negotiating with for the production of elec- c components in Israel.

e Rank Organisation wishes to emphasise that no local manufacture or local assembly in Israel is contemplated by the Rank Organisation or its subsidiary, Rank Radio International.

Subsidiary companies of the Rank Organisation are trading, and have been for many years, with Arab countries in a wide range of products and in the provision of goods and services for leisure activities.

J. B. Smith.
The Rank Organisation,
38, South Street, W1.

Support for the arts

From the Chief Press Officer to the Chancellor of the Duchy of Lancaster.

Sir, — Your story (November 6) on the Parliament page about the Chancellor of the Duchy's question time on Monday quoted him out of context and contained a misleading headline which, together, gave a completely wrong impression of what the Chancellor said.

The headline of the story, "Minister 'proud of cuts,'" and the associated quotation from his answer to Mr. Dennis Canavan, gave the impression that Mr. Norman St. John-Stevas had presided over cut-backs in arts expenditure in which he was expressing pleasure. Had you given the full quotation and put it in the context of the White Paper's statement on arts expenditure it would have been clear that this impression is quite wrong. In fact, as the White Paper makes clear, the level of Government expenditure in 1980-81 will be broadly comparable with that of the current year.

The Minister quoted from the White Paper in his initial answer to Mr. Hamilton: "Direct central government expenditure in support of museums, libraries and the live arts in 1980-81 should allow a continuation of activities at a level broadly comparable with what has been possible in the current year!" What he went on to say, following Mr. Canavan's supplementary, was: "With regard to the public expenditure White Paper, far from being ashamed of it, I am proud of the statement about direct Government support that it contains."

Liz Hall.
Privy Council Office,
Whitehall, SW1.

Management training

From Mr. D. Goch

Sir,—I was interested to read Michael Dixon's article (November 2) on the Irish management scene—more particularly since I had the opportunity to visit the Irish Management Institute's management training centre outside Dublin some months ago.

Despite slender resources, the Irish have made much better use of funds available for this purpose than we have in the UK. As Michael Dixon notes, they have done it by keeping their operation well away from the traditional academic involvement.

In hindsight, the big mistake in the Franks Report of 1963 was to recommend that the proposed new business schools ("centres of excellence" was the trendy phrase of the time) should be closely linked to existing "redbrick" Universities. The consequence has been the creation of a whole new species of "management dons" who have paid only fleeting visits to the "coalface" of management and their working environment is a microcosm of the traditional academic world. Published treatises become the yardstick by which applicants for new professorial posts are judged—and the more obscure the jargon they contain, then the more learned their authors must be.

The IMI's system of no professors and readers, etc., and a constant turnround of lecturers by expecting them to return to an industrial appointment seems to be much closer to the needs of the real world —and it seems to work.

Desmond Goch
4 Paddock Wood,
Harpenden, Herts.

Exports of tableware

From the Sales Director, Enoch Wedgwood (Tunstall)

Sir,—May I please correct an error in the report (October 30) by Mr. Lorne Barling on the subject of "British china exports to the U.S."

In the report it was said that the sales of this company to Western Germany had fallen substantially but this is not the case. Sales have remained almost constant over the first six months of this year in comparison with the first six months of 1978 and our proportion of UK exports to West Germany has, in fact, increased by 20 per cent over the same period because of overall reduced sales of UK tableware to West Germany.

Mr. Barling states that porcelain and china sales to the EEC have risen in the first six months of this year which is correct: however, the earthenware tableware sector of the industry—which is a much larger sector —sales to the EEC in the first six months of this year have declined though not as drastically as the sales in the U.S. have declined. Based on figures issued by the Department of Trade and Industry for the first six months of 1979, the comparison for the EEC is £14.5m against £15m for the same period in 1978 and in volume the reduction is more marked from 12.3m metric tons to 10.8m metric tons.

It is "wishful thinking" to imply that the slack within the earthenware tableware side of the industry, which is mainly attributable to reduced exports to the U.S., can or is being taken up by increased exports to EEC countries.

F. Spooner.
Enoch Wedgwood (Tunstall),
Tunstall, Stoke-on-Trent

University finances

From Mr. A. Braley.

Sir, — Mr. Geoffrey Caston (November 5) appears to take it as an axiom that cuts imposed as part of the Government's prescription for the nation must be in some way completely neutralised and present income levels retained.

Why this assumption? Cuts are cuts. They are needed because (to condense) this country's economic performance has over the past decades fallen below the level required to produce a sufficient surplus to maintain all the universities on the basis they have come to expect.

Quite apart from the arguable consideration that there are now too many universities and a superfluity of incumbents (though not of cost-effective ones) one would expect university men to be able to grasp the above-mentioned situation and face it rather than apparently wishing to be treated as yet another "special case."

Budgets can be balanced by cost-cutting as well as revenue-raising, and in the business world this discipline often has to be applied.

A. Braley.
93, London Road, Knebworth, Hertfordshire.

Car parts and costs

From Mr. W. Kleinlooh

Sir,—If the Office of Fair Trading is to investigate the Price Commission's report on "Prices, Costs and Margins in the Manufacture and Distribution of Car Parts," it should bear in mind the total incompatibility between the reasons for the inquiry and some of the conclusions reached by the Commission.

Almost exactly the opposite effect to that which the Commission seeks to achieve will occur if manufacturers cannot retain their fast moving parts business. The price of other, slower moving, but just as essential, parts would inevitably rise.

What seems to have totally escaped the Price Commission in its inquiries is the fact that motor vehicle assemblers and importers offer through their dealer networks to their customers, a total package of replacement parts. In other words through their pricing structure they are trying to balance the cost of so-called wear and tear items against those of major units, panelware, etc.

If, as the Price Commission suggests, UK manufacturers should be allowed to cream off the fast moving portion of the total package, which are usually the lower technology items, they would leave the vehicle assemblers and importers to supply low quantity, high technology replacement parts for their vehicles. This would obviously bring about an increase in the price of such items because their throughput is lower, whereas at the same time the vehicle assembler has a duty to have available a total range of slow and very slow moving items. If we then consider the total effect on the consumer, which after all is the subject of the Price Commission's report, we will find that the total price for replacement parts to be paid for, over a given life of a motor car, will be at best equal, but normally much higher than if the vehicle assembler supplies the total package.

It is also sad to note that where the exclusive items of low turnover are usually required in the later life of a motor car, the second and third owners would be at a considerable disadvantage if the vehicle assembler were to lose the more profitable, high volume wear and tear items.

W. K. Kleinlooh.
Ansteys,
Camp Road,
Gerrards Cross,
Bucks.

Today's Events

GENERAL

UK: TUC steel industries committee considers steel unions one-day strike proposal.

National Union of Mineworkers executive meets—miners from militant coalfields lobby NUM headquarters over pay claim.

Lord Robens, Vickers chairman, Mr. Cyril Smith, Liberal MP, and Mr. Roy Grantham, Confederation of Shipbuilding and Engineering Unions, speak at conference on future of European industrial relations, London.

Symposium on results of Government's rural transport experiments, Transport and Road Research Laboratory, Berks.

Lord Gowrie, Employment Minister, visits training workshop, Huddersfield.

Sir William Barlow, Post Office chairman, opens Stanley Gibbons rare stamps department, Strand, London.

Mr. Alick Buchanan-Smith, Agriculture Minister, speaks at Bodmin Conservative Association business lunch, Liskeard.

Princess Anne opens Caravan and Camping Holiday Show, Earls Court, London (until November 18).

Overseas: Mr. Jack Lynch, Irish Prime Minister, sees President Carter at the White House.

Portuguese election campaign starts.

General election, Kenya.

Muhammad Ali fights Kent Green, Chicago.

North American tax planning conference, Zurich.

Extraordinary session of College of Cardinals closes, Rome.

PARLIAMENTARY BUSINESS

House of Commons: Proceedings on the Southern Rhodesia Bill.

House of Lords: Sale of Goods Bill, third reading. Justices of the Peace Bill, report. Gaming (Amendment) Bill, third reading. Bill of Rights Bill, second reading. Family Income Supplements, regulations and various social security motions.

OFFICIAL STATISTICS

Department of Industry publishes provisional figures of vehicle production for October.

COMPANY MEETINGS

F. Austin (Leyton), Argall Avenue, Leyton, E, 12. Brigay, Regent Centre Hotel, Carburton Street, WC, 12. Kwahu, 25/35 City Road, EC, 12. Sirdar, Bective Mills, Alverthorpe, Wakefield, Yorks., 12. Tor Investment Trust, 6 Caer Street, Swansea, 10.15.

هكذا من الأصل

Sainsbury interim profit climbs 25% to £19.5m

PROFITS BEFORE tax of J. Sainsbury, the supermarket group rose by over 25 per cent from £15.56m to £19.52m for the 28 weeks ended September 15, 1979, on sales, including VAT, nearly 17 per cent higher at £608m. Retail margins improved from 2.91 per cent to 3.17 per cent.

The Board says it is particularly encouraging to achieve further growth in trading volume after the record growth last year—in two years, volume has increased by over a quarter.

For the year ended March 3, 1979, pre-tax profits rose from £27.58m to a record £32.66m on turnover of £1.01bn (£811m).

Although only two stores were opened in the first half, a further seven will be in operation by the end of this year and the Board adds that there will be a significant number of new stores next year.

Associates' profits for the period fell from £424,000 to £277,000, with an improved performance by some companies offset by a shortfall in Sainsbury-Spillers, which is suffering from the current problems of the egg industry.

SavaCentre continues to make good progress and a sixth site has been obtained at Bracknell.

After-tax profits of the group advanced from £10.89m to £13.67m. The net interim dividend is stepped up from 2.27p to 3p per 25p share—the previous year's total was 7.12p.

As already announced, the group has formed a joint company with GB-Inno-BM, of South Africa, to open home improvement stores in the UK, based on the successful Brico chain developed by GB in Belgium.

The group's profit sharing scheme for staff is in operation following approval at the last annual meeting, but as the level of profit share is dependent on the full year's results no provision has been made in the interim accounts. However, if the scheme's formula were applied to the half year's results alone, a sum of around £600,000 would be produced.

See Lex

£0.1m publicity campaign at Prudential

The Prudential Assurance Company is to spend £100,000 on a major advertising campaign aimed at promoting its personal pension contract.

The company believes that the business potential in this sector is considerable and the campaign in the popular daily and Sunday papers will start on November 12, to coincide with the rise in State pension payments.

The Pru is a market leader in the personal pension field and has been since the plans first came on the market in 1956. It has over 150,000 policyholders with a personal retirement plan, and the company estimate that it has around 15 per cent of the annual premium market. The plans are sold almost entirely through the company's field staff and cover a broad spectrum of the self-employed market. It consistently appears among the top performers in the annual reviews of these plans.

However, the campaign will not only aim at the self-employed. It will also concentrate on employed persons who have no other pension than that provided by the State scheme. These persons, estimated at 6m, are also entitled to take out a personal pension plan to supplement the State scheme and get full tax benefit on their contributions.

The campaign will not cover the linked plans marketed by the other life company in the Prudential Corporation Group—Vanbrugh Life.

Bryant Hldgs. adds to land bank

Bryant Holdings has made substantial additions to its land bank, says Mr. C. Bryant, chairman of the building, construction, civil engineering and property developer.

In his annual statement he reports that the land bank now stands at more than £20m, against £14.7m in 1978, which represents over five year's supply at present level of sales.

He adds that the jointly-owned company Bryant-Samuel Investments, in conjunction with Standard Life Assurance Company, has planning permission for 50 acres of industrial/warehouse development at Solihull. Construction on the £20m scheme has begun and the first units should be ready for letting next August.

The balance sheet at May 31 shows net assets per share have increased from 50.8p to 92.1p. Reserves rose from £5.18m to £13.4m following a transfer to reserves of £2.22m from the development surplus on completed schemes.

Bank loans and overdrafts (secured) were £4.1m (£53,000). There were no short-term loans (secured), compared with £1.7m last time.

As reported on October 23 taxable profits rose from ...000 to £4.76m after exceptional debits last time of £2.64m.

Zetters makes good start

A GOOD start to the football season had been made by Zetters and turnover was up on last year, Mr. Paul Zetter, the chairman, told the annual meeting.

However, there had to be a fair amount of caution, he said. Money was tight and that would be reflected in gambling generally. Nevertheless he was very optimistic about the future and he saw justification for that optimism.

Mr. Zetter confirmed it was the Board's intention to diversify into the hotel industry. "We think it is within our abilities to do it well. It is within the leisure industry, which we know about, and it is one way of diversifying and expanding, I hope successfully," he said.

Referring to the recent parliamentary debate on the findings of the Royal Commission on Gambling, the chairman said the group's two main functions of pools and bingo had approval in the House of Commons by both sides. "That is enormously pleasing and gives one tremendous confidence," Mr. Zetter said.

Charterhouse to float Spring Grove

Charterhouse Group is making plans to sell off its workwear and towel rental company, Spring Grove Services, by way of an issue on the stock market before the end of the year.

No details on the shape of the flotation are available, but it will result in the public holding the majority of the capital, with Charterhouse retaining a significant minority.

Spring Grove, which makes profits of around £3m on sales of £20m, represents one of Charterhouse's first development capital investments. An initial stake was taken in 1934 amounting to £6,500. By 1945 Spring Grove was a subsidiary and in 1967 it became fully owned by Charterhouse.

Mr. David Vevers of Charterhouse said yesterday that the sale of the majority stake in Spring Grove was "one way of recycling funds for new ventures."

HIGHLIGHTS

The Lex column takes a look at the troubled situation of the financial markets. In the City there was much speculation about a rise in MLR as the banking figures for October come in for further dissection. The fall in the markets has removed the stagging appeal of the BP issue, but Lex discusses why the offer may still be fuly subscribed. Lex also looks at the day's biggest company result. Sainsbury has produced a £4m jump in half-time profits which is better than expected, though the share price held steady yesterday. On the inside pages Readicut's half-time figures look disastrous but the second half should make a better showing. Central Manufacturing and Trading came out with news of a marginal drop in profits, and United City Merchants is below expectations. On a brighter note Henry Boot inched back into profit and is sounding confident for the full year.

Common Bros. dips but outlook better

TAXABLE PROFITS of Common Brothers, the shipping group, slipped from £2.08m to £1.97m in the year to June 30, 1979.

The net total dividend is stepped up from 6.5232p to 12p, with a final of 8p. This meets the forecast made in April during the group's successful defence against the British and Commonwealth Shipping takeover bid.

The directors are confident that this total payment can be maintained from 1979-80 trading results.

At the trading level in the year under review, there was a £454,000 turnround to losses of £201,000. But Sir Rupert Speir, chairman, expects a profitable year from trading operations in 1979-80.

There will be a considerable benefit from interest on the proceeds of the sale of assets, while interest payable will be lower as a result of reduced borrowing, he adds.

Interest receivable totalled £90,000, compared with £599,000 payable last time. Surplus on sale of ships amounted to £1.43m (£2.55m), and there was a £819,000 surplus on sale of other assets this time.

Earnings per 50p share are given as 35.382p (45.316p).

	Year 1978-79	Year 1977-78
Trading loss	201	†253
Associates losses	—	58
Interest receivable	90*	599
Sale of ships	1,431	2,552
Sale of other assets	819	—
Special charges	174	10
Pre-delivery interest	—	‡65
Profit before tax	1,965	2,076
Tax	897	698
Net profit	1,068	1,378
Minorities	3	14
Attributable	1,065	1,364
Extraordinary debit	144	65
Dividends	361	183
To reserves	560	1,116

† Profit. * Payable. ‡ On ships under construction.

Equity and Law Life lifts interim bonus rate

IN A surprise move Equity and Law Life Assurance Society has increased its interim bonus rate on certain individual pension contracts by 20p to £4.20 per cent compound, as from November 1. The Society is due to declare its annual bonus rates for December 31 about the end of the year.

This increase arises from a review of individual pension contracts, particularly the personal pension plan for self-employed and others in non-pensionable employment. The company has recently launched a unit-linked personal pension plan, which has been well received by the market. The review has brought the traditional with-profits plans in line with the linked schemes.

Equity and Law has always tended to quote bonus rates similar or even lower than on individual life contracts, in contrast to most other life companies which declare much higher bonus rates. This implies that the Society's with-profits plans have a higher level of guarantee in the pension. Nevertheless, the company's with-profit plans remain competitive.

Acrow doubles in first half

TAXABLE profits of Airflow Streamlines more than doubled in the half year to August 31, 1979, rising from £402,000 to £818,000 despite the effects of the engineering dispute in the sixth month. Sales improved to £10.43m against £6.12m.

The directors explain that a significant contribution was realised in the first five months from a recent extensive plant and equipment investment programme and the introduction of new product lines in the manufacturing division, which produces assemblies and pressings for car and truck bodies.

They add that following a return to work in October, recovery is proceeding satisfactorily.

The interim dividend is raised from 0.625p to 0.8p. Last year's total was 2.741p on pre-tax profits of £603,000, depressed in the second half by strikes at major customers Ford and Leyland.

There is a higher tax charge this time of £55,000 (£27,000) and earnings per 25p share are up from a stated 6.78p to 14.31p.

Increased sales and profits have been attained by the motor division, state the directors, and it is hoped that satisfactory demand will continue in the second half.

IN BRIEF

S. LYLES (carpet yarn spinners and dyers)—Figures reported on October 9. Fixed assets £1.74m (£1.71m). Net current assets £2.25m (£1.66m). Increase in working capital £838,000 (£26,00 decrease). Meeting, Wakefield, November 23 at noon.

STEWART AND WIGHT (caterers)—Final nil (10p) making 7p (17p) year to March 31, 1979. Turnover £288,476 (£265,533). Profit £10,866 (£19,194) after tax of £8,341 (£11,237). Earnings per share 25.34p (30.67p).

A. CAIRD AND SONS (tailors and drapers)—Sales half year to July 31, 1979 £1,323,000 (£1,145,700). Pre-tax loss £18,400 (profit £20,400) after interest £33,600 (£18,200). Tax nil (£10,600).

UNITED CAPITALS INVESTMENT TRUST—Gross revenue for half year to June 30, 1979 £35,823 (£32,741). Interim 1.65pc pay December 1. Net asset value per 25p share 33p (28.4p). Board is proceeding with investigations referred to in the statement released to the Stock Exchange on August 24, 1979 and will report to shareholders as soon as possible.

LONDON AND STRATHCLYDE TRUST—Results for year to August 31, 1979, already known. Listed investments at market value, UK £7.14m (£6.56m), abroad £3.56m (£4.27m); unlisted at directors' valuation £0.43m (£0.25m). Unrealised appreciation on investments £2.53m (£2.98m). Net liquidity down £89,000 (up £410,000). Meeting, 2, St. Mary Axe, on November 23 at noon.

UCM ahead to £3.2m and steps up dividend

AFTER a second half recovery the taxable profits of United City Merchants rose from £2.65m to £3.18m in the year to June 30 1979 on turnover down from £148.5m to £144.1m.

At halfway when the surplus fell from £2.34m to £1.97m the directors said they had every reason to look forward to improved results and to a very satisfactory second-half.

The net dividend per 10p share is being lifted from an adjusted 0.746p to 1.4p with a 0.95p final. The group has already declared a special dividend of 0.537p for this year. There is also a proposed one-for-seven scrip.

The board now says that trading since the year-end has continued satisfactorily.

The taxable surplus for the year was struck after interest of £116,000 (£127,000) and terminal losses on discontinued operations of £84,000.

Tax for the period takes £981,000, against £1.73m. The latest tax figure is based on SSAP 15. The comparison has not been restated but will be in the published accounts.

The group's timber subsidiary Pharaoh Gane and Company saw pre-tax profits slip from £373,000 to £328,000 in the year to mid-1979 on turnover down from £66.5m to £58.2m. Tax takes £192,000 (£201,000). The final dividend is 30 per cent (33¼ per cent).

The leather manufacturing subsidiary Stimpson-Perkins lifted profits from £497,658 to £634,168 in the same period. Its turnover rose from £6.6m to £7.9m and profits were subject to tax of £79,388, against £213,532. The dividend is being increased from 10p to 11.5p.

The group is an international merchant, agent and banker, and leather manufacturers.

● **comment**

Second half profits from United City Merchants were well below expectations and the shares closed 7p down at 30p. There has been some recovery from last year's very depressed results but the strength of sterling in mid-year took its toll on profit translations. If currencies had been converted a month earlier another £300,000 would have been added to profits. At the attributable level, however, earnings have more than doubled and the dividend, including the bonus, is covered over four times. UCM has taken advantage of dividend freedom to more than double its payments and the yield is now a very respectable 9.5 per cent. On stated earnings the p/e is only 3.5 which looks undemanding. The leather business is trading well in India and there has also been some improvement in the UK. Furthermore, last year's loss provision in South African may not be fully utilised and UCM is well placed to take advantage of increasing trade with China. Set against this are several areas of uncertainty, including currency movements and the development of timber prices.

Rush & Tompkins lifts profit and dividend for first half

FROM increased turnover of £34.26m against £28.94m, profits before tax of Rush and Tompkins Group rose from £392,000 to £587,000 in the first six months of 1979.

The interim dividend is lifted from 1p to 1.25p per share—the total last year was 3.203p from pre-tax profits of £1.17m.

First half profit of the group, which specialises in property and residential development and building and civil engineering contracting, was struck after interest of £381,000 (£343,000) but before tax of £48,000 against £47,000.

The directors state that rental income is still being affected by some exceptional expenditure on existing properties, but they expect the total for the year to show an increase of at least 10 per cent over last year.

The group has a substantial development programme in hand, embracing about 50,000 sq ft of offices and 650,000 sq ft of industrial space, over half of which is already let or under offer.

	Six months 1979 £000	Six months 1978 £000
Turnover	34,260	28,944
Net rents	717	653
Operating profit	251	192
Interest & central expenses	381	343
Profit before tax	587	392
Tax	48	47
Minorities	32	—
Attributable	507	345

The construction division suffered from the exceptionally-bad winter but because of the stage reached in the work on some contracts the effects were not as great as they would have been otherwise.

It is anticipated that this division will return to profitability this year after making a loss in 1978.

Hollis stops joinery after £¼m loss

HOLLIS BROS. of Hull, manufacturer of timber products, yesterday blamed the recession in the construction industry—and particularly the reduction in council huose building — for a loss of £250,000 so far this year, and for the decision to close its joinery department, where 95 men will be made redundant.

The department, which specialises in made-to-measure dors and window-frames, has lost £320,000 in the past 18 months. There is no indication that the situation wil limprove, the company said.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Airflow Streamlines int.	0.8	Jan. 4	0.63	—	2.74
CMT	1.66	Feb. 4	1.5	3.3	3
Cntnl. and Indstrl. int.	5.8	Feb. 5	2.5	—	7.2
Feedex Agricltral. int.	0.65	Jan. 7	0.52*	—	1.23*
Flightspares	4	Dec.	nil	4.98	0.88
Flightspares int.	3	March	0.98	—	4.98
Hartwells int.	1.79	Jan. 31	1.49*	—‡	4.6*
Henry Boot int.	3	Nov. 21	2.5	—	2.5
Jackson Grp. int.	1.45	Dec. 7	1.45	—	3.63
Kinta Kellas int.	50‖	Dec. 3	50	—	175
London Trust int.	2.25	Dec. 3	2	—**	4.75
Majedie Invs.	1.5	Dec. 20	0.75	1.5	0.75
Mountview Ests. int.	0.7	Mar. 24	0.5	—	1.5
Readicut int.	0.53	Dec. 13	0.53	—	1.77
Rush and Tmpkns. int.	1.25	Jan. 7	0.97	—	3.2
Safeguard Industrial	3.2	Dec. 14	3	4.7	4
J. Sainsbury int.	3	Jan. 25	2.27	—	7.12
UCM	0.95	Jan. 3	0.35*	1.4¶	0.75*
Usher-Walker int.	1.28	Dec. 13	1.28	—	3.61

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Final of not less than 3.578p forecast. § Includes 2.8p for exceptional income of 2.83p from holdings in BP, Shell and Unilever. ¶ Plus special dividend of 0.537. ‖ Gross payment. ** Final of not less than 3p forecast.

CMT hit by high costs: profit falls to £3.66m

SIDERABLY higher finance harges caused pre-tax profits e Central Manufacturing and ing Group to fall from m to £3.66m in the year d July 31, 1979. External over amounted to £74.57m pared with £60.09m.

nancing costs almost led, from £669,000 to 9,000.

ted net earnings per share lown from 15.3p to 11.3p. A dividend of 1.65p raises the from 3p to 3.3p per 10p .

mand for the group's pro- and services generally re- ed flat during the year, h was very much in line with ack of economic growth in UK, the directors say.

e industrial services divi- improved its market share substantially lower profits light engineering reflected of demand for many pro- s. Baxters (Bolts, Screws and ts) made a loss as cheap ner imports continued to into the UK, the directors

onger demand for products e metal processing division ed to improve margins while stockholding maintained its oved performance. Drop ng went through a poor d which reflected itself in ced profits in tubes, fittings forgings.

	1978-79 £000	1977-78 £000
al turnover	74,571	60,084
services	28,720	23,592
eng.	5,307	4,895
l process	12,970	8,632
stockholding	22,898	17,959
s, fittings	4,676	5,016
g profit	4,681	4,372
services	2,274	2,112
eng.	73	361
l process	454	149
stockholding	1,166	947
s, fittings	715	813
inancing charges	1,159	669
iates profits	134	26
before tax	3,656	3,729
	677	262
rofit	2,979	3,467
rd. debits	303	*173
ible	2,676	3,640
ary dividends	873	680
ned	1,803	2,960

* Credits.

comment

the news of a marginal in pre-tax profits from , there is further evidence ard time sfor those com- es which specialise in the ibution of engineering s. But this company has treading water since 1974 there is no prospect of a better showing in the current year. Indeed, it has been necessary to plough back great sums of money into the business, but the plain fact remains that CMT produced the same kind of pre-tax earnings in 1978-79 on a turnover of £74.6m as it did in 1974 on turnover of £36.7m. This year's problems include higher interest charges and an extraordinary write-off of £303,000 for the product development of a device which would reduce car exhaust pollution and increase miles per gallon—the programme was abandoned as too costly. In order to reduce its overdraft, the group may well "tidy up around the fringes" and sell off a few unprofitable subsidiaries. Meanwhile, the total net dividend is up 10 per cent and yields 7.6 per cent at 63p; the stated p/e comes to 5.5.

London Tst. up slightly to £1.75m

WITH GROSS revenue at £2.99m against £2.49m, pre-tax earnings of London Trust Company were up slightly from £1.71m to £1.75m for the half-year to September 30, 1979.

After tax of £546,998 (£587,491) earnings per 25p deferred share improved from 2.43p to 2.59p. The net interim dividend is 2.25p against 2p, and a final of not less than 3p is forecast—last time the total was 4.75p on £3.44m revenue.

At the half-year, net assets are shown at 166p per share, compared with 138p a year earlier.

Kynoch loss: no dividend

Following midway losses of £31,459 against £24,452, G. and G. Kynoch, woollen cloth maker, reports a pre-tax deficit of £32,673 for the year ended August 31, 1979, compared with profits of £29,329 in the previous year.

The directors are not paying a dividend this year compared to the 2p total paid in 1977-78.

Turnover amounted to £1.6m compared with £1.4m. There is a tax credit of £20,637 (£11,014 charge) and a profit is struck at the attributable level of £17,300 (£22,115) after extraordinary credits of £29,336 against £3,800.

Loss per share is stated as 3.1p compared with earnings of 1.9p.

Jackson Group sees recovery

HIT BY bad weather, pre-tax profits of Jackson Group, civil and mechanical engineer, fell from £235,000 to £173,000 for the first half of 1979. However, the Board says the deficit has been made good in the summer and the full year's results is expected to be at least in line with the previous £435,000.

Turnover for the six months rose some £1m to £6.12m, while net profits were down from £228,000 to £170,000 after minorities of £8,000 (£7,000). No tax charge is anticipated for the current year because of investment in equipment and increase in stocks and work in progress.

Stated earnings dropped from 9.1p to 6.8p, but in the light of the recent trading recovery the interim dividend is kept at 1.45p net, costing £12,000 (same)—last year's final was 2.18p.

Mountview optimistic

Profits of Mountview Estates, the property dealing and investment company, are running at a level which compares favourably with the previous year, say the directors.

They are looking for results at least as good as those for 1978/79, in which taxable profits rose from £958,000 to £1.21m.

The net interim dividend per 5p share is being lifted from 0.5p to 0.7p. Last year's total was 1.5p.

TRUSTS REPAY $ BORROWINGS

Two investment trusts announce repayment of U.S.$7m borrowings.

The Nineteen Twenty-Eight Investment Trust has repaid foreign currency borrowings of $2m, and Philip Hill Investment Trust has repaid $5m borrowings.

Usher Walker picking up

WITH RECOVERY from last year's unofficial strike at its London factory hampered by the transport dispute and bad weather, first-half 1979 taxable profits of Usher-Walker fell from £224,000 to £65,000.

But there has been a satisfactory revival in sales and profitability since mid-year, state the directors, and results for the full year should comfortably exceed those of 1978 which, after a second half loss, produced a taxable surplus of £214,459.

The interim dividend is maintained at 1.2827p and an increased final is forecast—last year's total was 3.6146p.

Turnover for the six months was virtually static at £2.95m (£2.96m). There is a lower tax charge of £52,000 (£122,000) and earnings per 10p share are stated to have fallen from 4.71p to 1.47p.

Directors say the forthcoming return to publication of The Times and Sunday Times is welcome news for the group, which manufactures printing inks and rollers, and it is hoped that 1980 will see a further all round improvement in performance.

At balance date, net current assets were up from £574,861 to £950,859 and fixed assets had reached £211,728 (£97,795).

Flightspares advances to £0.38m

TAXABLE PROFITS of Flightspares, stockist of aircraft spares and equipment, advanced from £245,358 to £384,475 for the year ended April 30, 1979, on sales up £1.25m to £3.66m, including exports of £1.86m against £1.27m.

Mr. E. E. Lane, the chairman, says he expects the company to make steady progress in profits and turnover.

A final dividend of 4p (nil) lifts the net total from 0.878p to 4.98p per 10p share, and an interim of 3p is recommended for the current year.

Tax for the year took £202,552 (£130,300) and this time there was a transfer of £195,652 from deferred tax.

Majedie Investments advances

BEFORE PROFIT on sale of investments of £175,222, compared with £257,516, pre-tax profits of Majedie Investments rose from £419,232 to £535,164 in the 12 months to September 30, 1979.

Gross income for the period finished £199,901 higher at £808,182 and tax took £249,006, against £222,857.

With earnings per 10p share up from 2.26p to 2.82p, the net dividend payment has been doubled from 0.7467p to 1.5p at a cost of £232,860 (£104,513). After deducting this, the balance of some £229,000 (£349,000) has been taken to revenue reserve.

Listed investments at market value at September 30, 1979, totalled £15.17m (£11.23m) and unlisted at cost £107,000 (£117,000). Net current assets stood at £84,333 (£582,842) and the asset value per share was 99.07p (85.26p).

Rayack to cease trading

Rayack Construction is to cease trading. The company's inability to meet its current liabilities leaves no alternative, say the directors. When the winding down is completed, they anticipate all creditors will be paid in full.

Formal liquidation would, they feel, be less likely to result in such an outcome.

Creditors' meeting, December 4.

Readicut drops 32.5% to £2.5m for first half

ALTHROUGH TURNOVER of Readicut International, maker of rug kits and specialist textile products, rose some 7 per cent to £42.78m, pre-tax surplus dropped 32.5 per cent from £3.73m to £2.52m for the half-year to September 30, 1979. And Mr. Paul Croset, the chairman, warns that full year profits are unlikely to reach the record £9.31m of 1978-1979.

Profits were hit by the group's inability to maintain margins in the face of rapidly rising costs of oil-based fibres, the strength of sterling, and disruption in normal working at many customers' factories, particularly in August and September.

The chairman says that management is accelerating those plans most likely to ensure an improvement in the company's earnings.

As already known, agreement has been reached for the acquisition of Regal Rugs Inc., a specialist textile company, which will provide the group with its first U.S. manufacturing base.

In Australia, steps have been taken to contract non-profitable carpet distribution activities.

Export sales for the half-year rose 6.7 per cent to £11.99m. Trading profits fell some £1m to £2.96m, with only the retail and yarns divisions improving performance. Interest charge increased from £239,000 to £439,000.

	†Half-year 1979 £000	†Half-year 1978 £000
Total sales	53,974	50,584
Internal sales	11,196	10,680
Turnover	42,778	39,824
Depreciation	1,078	832
Trading profit	2,957	3,970
Interest	439	239
Profit before tax	2,518	3,731
Taxation	545	729
Net profit	1,973	3,002
Extraord. credits	86	25
Available	2,059	3,027
Pref. dividends	16	16
Ordinary dividends	424	405
Retained	1,619	2,606

† Restated to reflect the change in treatment of deferred tax.

Earnings per 5p share slipped from 3.88p to 2.54p, while the interim dividend is maintained at the gross level with a net payment of 0.5503p (0.52671p). The Board will consider an increase in the final when the full year results are known—last time, the final was 1.24435p.

Capital expenditure for the six months reached £2.92m, against £2.84m.

● comment

Readicut's figures are disappointing. The one-third profits fall took the market on the wrong foot and the shares shed 5p before recovering to close the day 3p down at 31p. But at this level they may have found their floor. There were three particular problems in the first half (apart from the wider depression in the carpets sector). Two of these were exceptional. The engineering strike upset production schedules of the car manufacturers—a major customer for carpets. Setting up the Calais operation to supply carpets direct to the Continental vehicle producers probably clipped £100,000 off profits. But more worrying has been the effect of the jump in the polypropylene price. Up by 54 per cent during the first half, the fibre lost its competitive edge and Plasticisers which made around £¾m in the whole of last year, slid into the red. The outlook there is gloomy. Without the price differential manufacturers will turn to other man-made fibres which are easier to work with so some rundown of this operation looks inevitable. That said the traditional rug-kit business should be as good as ever in the second half and overall Readicut could make £7m to £7¼m pre-tax this year. Readicut has a good name in the market and the fully taxed p/e of 7 and yield of close to 10 per cent (assuming some increase in the final) is not too expensive.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims: Allnatt London Properties, Aquascutum, Brent Walker, British-Borneo Petroleum Syndicate, Cater Ryder, Fortnum and Mason, Philip Hill Investment Trust, William Leech (Builders), London and Midland Industrials, Portsmouth and Sunderland Newspapers, Progressive Securities Investment Trust, H. C. Slingsby, Staveley Industries.

Finals: Drayton Consolidated Trust, Fundinvest, G.R. (Holdings), Higsons Brewery, National Bank of Australasia, Safeguard Industrial Investment, Speedwell Gear Case.

FUTURE DATES

Interims—	
Black Arrow	Nov. 15
Chubb	Nov. 14
Flight Refuelling	Nov. 14
Goldberg (A.)	Nov. 8
Hill Samuel	Nov. 14
Howard Tenens	Nov. 13
Porter Chadburn	Nov. 14
Finals—	
Sellway	Nov. 13
Cardiff Malting	Nov. 16
Equity Income Trust	Nov. 20
Fundinvest	Nov. 8
Intnl. Telephone & Telegraph	Nov. 14
Scottish & Mercantile Invest.	Nov. 14

Staffordshire Potteries sales ahead

External sales for the first four months of the current year had increased by 12 per cent, Mr. Bill Bowers, chairman of Staffordshire Potteries (Holdings), told members at the annual meeting.

Demand, however, reflected the recessionary conditions which prevailed in world markets, and resulted in inevitable pressure on margins, he added.

He stated that full advantage was being taken of new marketing opportunities following the company's recent acquisitions.

For the first half of the 1978-1979 year pre-tax profits were £458,000 (£409,000) on a £5.76m, (£5.1m) turnover.

MINING NEWS

Amax has 900m tons of ore at Mt. Tolman

BY KENNETH MARSTON, MINING EDITOR

THE Mount Tolman molybdenum-copper prospect of Amax in the state of Washington is shaping up as a huge, but low grade, open-pit mining proposition. Amax says that following some 300,000 feet of diamond drilling the ore content is now estimated at 900m tons with an average grade of 0.09 per cent copper and 0.1 per cent molybdenum disulphide.

These latest figures are based on a cut-off grade of 0.05 per cent *molybdenum disulphide*. The previous count used a higher viability cut-off point of 0.1 per cent molybdenum and amounted to some 300m tons grading 0.13 per cent copper and 0.13 per cent molybdenum.

The mineralised material extends over a 1½ square mile area and has a configuration which permits open-pit mining with an overall waste-to-ore ratio of 0.9 to 1. The U.S. company adds that final evaluation of Mount Tolman depends on metallurgical testing and additional engineering and economic studies. Socio-economic assessments of the area are also being conducted.

Molybdenum provides the basis of this diversified group's buoyant earnings. Amax production of the steel industry metal comes from two mines in Colorado, the original Climax property which grades around 0.3 per cent molybdenum and the new Henderson which runs at just over 4 per cent.

Amax plans to reopen the low-grade Kitsault open-pit mine in British Columbia, which has a grade of 0.19 per cent, and is also carrying out feasibility studies at the Mount Emmans prospect in Colorado which has a good molybdenum content of about 0.43 per cent.

In terms of ore tonnage, the Mount Tolman prospect is far bigger than the other Amax deposits, but its low ore grades would call for large-scale working.

Whether it would be an economic proposition at current metal prices—the group sells molybdenum at well under the free market price—remains to be seen, especially now that the high price of diesel oil is driving up the costs of open-pit operations.

At the same time, consideration will have to be given to the fact that after a long period of undersupply in molybdenum, a good deal of potential new production has emerged. Even so, Mount Tolman holds the promise of an important new source *of revenue for Amax in the long* term.

Meanwhile, Amax has altered the terms for its current offer for Rosario Resources Corporation. The new plan will eliminate—for tax and other reasons—a first-step cash tender offer.

Under the new plan, Rosario would survive as a wholly-owned subsidiary of Amax. For each Rosario share, holders will be offered 0.55 of an Amax preference stock with a redemption value of $100 and an annual dividend rate of $9.875.

Alternatively, they can have 0.55 of an Amax preference share with a redemption value of $100 and a dividend rate of $9.30, the stock being convertible into two common shares of Amax.

But the number of convertible preference shares issued will not exceed 55 per cent of the total merger consideration.

In addition, Rosario holders *may elect to receive $55 cash* per Rosario share for up to 20 per cent of the total merger consideration.

In Frankfurt yesterday Mr. Pierre Gousseland, the Amax chairman, said that the Rosario acquisition was not likely to be completed before mid-January. He expected Rosario's earnings growth to be even faster than *that of Amax*. Rosario is active in gas and oil exploration and in precious and base metals.

MIM buys into Oaky Creek

AUSTRALIA'S MIM Holdings has agreed to buy a 40 per cent interest in the Oaky Creek coking coal project in Queensland from *the U.S. group Houston Oil and* Minerals reports James Forth in Sydney.

MIM, which operates the Mount Isa copper-silver-lead-zinc mine, will pay A$30m (£15.9m) for its stake, in recognition of the A$60m already outlaid.

MIM will also provide a guarantee to support borrowing by Houston of up to A$8m for a maximum period of ten years. MIM will also contribute its *share of all future costs.*

The participation in Oaky Creek will now be Houston 50 per cent, MIM 40 per cent and the Dutch group, Hoogovens Delfstoffen 10 per cent.

Oaky Creek has had a controversial history to date. Houston was granted the area in 1977 without calling for tenders but had to agree to spend A$80m on the project within three years.

Houston announced it would develop a 2m tonnes a year operation without first obtaining contracts *but earlier this year* was forced to rein back on construction because contracts had not yet been obtained.

The only coal contract to date is with Hoogovens for 500,000 tonnes. MIM directors said yesterday that construction of the project would continue at the present reduced rate until sufficient sales contracts were obtained to justify expansion to a full rate of development. It was expected that the first of the two initial draglines would be ready *for commissioning in August* 1980.

The companies were also confident that the Oaky Creek project would become a significant participant in the Queensland coking coal export trade in the near future.

Reconsidering Randfontein

THE Johannesburg market has been taking a closer look at the implications of last Friday's announcement of ore grade problems by Randfontein Estates, the *Johannesburg Consolidated* Investment gold and uranium producer, *reports Jim Jones.*

After an initial sharp fall, the share price has steadied although it has not reflected the general improvement of the sector as a whole over the last two days.

A lower tempo of mining in the old Randfontein section of the mine will have little effect in the near term, a company spokes*man said. Development plans for* this section were set back by what *proved to be an over-optimistic* estimate of the reserves.

The company can maintain throughput of 100,000 tonnes a month at the millsite plant, by treating surface dump material, the spokesman added. This stage could last for 18 months and then mill throughput based on underground *ore alone could slip to* a monthly rate of 55,000 tonnes.

After 18 months, the Randfontein's section uranium production could fall to 150 tonnes a year against an originally expected 350 tonnes. The shortfall *could be partly made up by treat*ing old slimes material.

Profits should not be *greatly* affected by the need to purchase *uranium on the open market* to honour sales contracts, the company thinks. It feels the market will be over-supplied for a number of years.

Gold production is expected eventually to fall to 50 kilos short of original monthly expectations. This is worth R6m (£3.48m) a year at current prices.

Randfontein expects to be able to offset potential losses with capital cost savings of R8m-*R10m because work on re-estab*lishing operations at the No. 2 North *shaft has stopped.*

In London yesterday the shares were ¼ firmer at £22¼. This marks some recovery from a price of £20¾ on Monday morning before the market began to re-assess Randfontein's problems.

Noranda's record earnings

NORANDA MINES, the Canadian resources group, made record profits in the first three quarters of this year, reports John Soganich from Toronto.

Net earnings were C$214.6m (£87.6m), or C$2.59 a share, compared with C$80.5m, or C$1.14 a share, in the same period of 1978.

"*While the expected U.S. recession may affect fourth quarter results, it is now clear that 1979* will be the first really satisfactory year for Noranda since 1974," the directors said.

In the three months to September, Noranda had net profits of C$74.3m, double the C$36.8m earned in the comparable quarter of last year.

Although the increase in earnings over the nine months might seem large, the company stated, the comparison is with a period *when the rate of return was* "totally unacceptable." Even now, the annualised rate of return at 14.6 per cent on net capital is unimpressive compared with the 15 per cent minimum lending rate of Canadian banks, Noranda added.

What Noranda called adverse *items totalling C$28.5m* affected third quarter figures. These *items included a share of the* write-off of the Agnew Lake *uranium mine and of its 60.5* per cent owned precious metals mine in Nicaragua.

● Hollinger Argus more than doubled net consolidated profits over the first three quarters of the year to C$16.1m (£6.57m) from C$7.5m in the first nine months of 1978.

Hollinger is linked with Noranda through its subsidiary, Labrador Mining, which holds a parcel of Noranda shares. The main reason for the group's higher profits was a stronger flow of royalties from Iron Ore Company of Canada, which is heading towards record annual profits.

ROUND UP

America's Asarco has declared a fourth quarterly dividend of 25 cents (12p) plus an extra dividend of 50 cents. This makes a total for 1979 of 130 cents compared *with only 40 cents for* 1978. The group recently announced nine-month net earnings of $176m (£85m), equal to $5.78 per share, compared with $766,000 in the same period of last year.

* * *

Australian Consolidated Minerals has revalued its one-third stake in Mount Keith ACM from A$640,000 (£340,000) to A$1.25m. This follows the A$2.5m sale by Metals Exploration to Amax of the former's interest in the Mt. Keith and Kingston joint nickel ventures.

UK COMPANY NEWS

eedex setback but has aid 'right foundations'

BAD winter and the ort strike hit the profits of x Agricultural Industries first half of 1979. The e surplus fell from 00 to £435,000 on turnover from £10.9m to £10.1m.

the group says it is in ng trading position with a y cash flow and is therefore an increased net dividend 65p, compared with an ed 0.52p. The total last when the company made profits of £1.04m was an ed 1.328p.

J. R. Williams, chairman, he group achieved a good in the circumstances, and id the right foundations e future.

adds that the scope to in- sales has been broadened more positive move into xport field jointly with Feed Holdings through the idge-based associated com- Four-F International.

r tax of £196,000, against 00 and minorities £5,000)) the attributable surplus own from £262,000 to 00. Stated earnings per 10p are down from an adjusted to 1.8p.

dividend absorbs £85,000 00).

Williams adds that the ivision has maintained its n in the home market and t indications suggest an d trend as more confidence s to the livestock industry. as opportunities were re- but the possibilities are aging.

he livestock division, after returns in the second half 8 and the first half of this the margins on pigs have erably improved. There en increased investment in y activities, which should the group.

stment in Feedex Farm es was also increased and ness Fuel Supplies de- higher volumes to ers than in 1978 despite cent oil scarcity, says the ian.

the engineering side Row- Engineers continues to be t, selling much of its out- the arable sector. At John ylor the sale of livestock ent is more difficult to achieve, but it has been supplemented by sales of European products, which are beginning to contribute to the division's earnings.

● comment

Lest anyone forgets, the effects of last winter's harsh weather and the lorry drivers' strike are still being felt. The farm-orientated fortunes of Feedex have fallen slightly as a result of these factors. Profits are also down on the group's pig production side, where the rising cost of feed is a problem. But the 15.7 per cent pre-tax earnings drop has not prevented the Board from increasing the interim dividend pay-out by a quarter. The strong cash flow of the business should mean a similar increase in the final and this points to a prospective yield of 6.4 per cent at 35p, down 4p. In order to increase sales, the group is moving into the market for feed and engineering exports, but it is too early to judge how this venture will fare. In the current year, the engineering strike may cut into profits and a full year pre-tax figure of say, £800,000 (down from £1m) suggests a p/e at around 11 on a full tax charge.

Six month downturn for Somic

FOR the half year ended September 30, 1979, pre-tax profits of Somic, yarns, cords and woven fabric maker, were down from £102,178 to £74,749 on sales just ahead at £1.2m against £1.1m.

The directors remain confident regarding the future—the net interim is up from 0.9528p to 1p per 25p share—but are of the opinion that an expansion of sales and profits in the current commercial climate is unlikely. However, there is no evidence, they say, to suggest that the company's position will worsen

Profits for the 1978-79 year were a record £253,564 (£163,591) —the final dividend was 1.6022p.

Tax for the half year took £38,875, compared with £53,132, after which earnings are shown as 1.799p (2.452p) per 25p share.

Currency fluctuations, particularly the strength of sterling, have been to the company's disadvantage directors state.

The VAT increase has additionally made the home market more difficult, they add.

Middle East difficulties have been partially resolved, they say, and the trend in that area is more promising.

F. G. Gates upsurge midway

WITH FIRST-HALF pre-tax profits up from £73,885 to £966,461, on turnover of £18.29m against £13.53m, the directors of Frank G. Gates, main Ford dealer, anticipate that 1979 will be another record year.

For the previous full year, profits reached a best-ever £1.24m on £24.56m turnover.

Following the removal of dividend restraint, the directors expect to recommend a more realistic payment for the year—last year, an equivalent 1.275p was paid.

After tax of £164,005 (£371,220) based on new accounting policies, stated first-half earnings jumped from 6.8p to 15.9p per 25p share.

Retained surplus emerged at £802,456, compared with £342,685.

xpansion for Hartwells

BLE profits of Hartwells advanced 30 per cent from to £1.76m in the six to August 31, 1979, on 34 per cent higher at n, against £52.01m. And ectors expect record full- sults.

net interim dividend is ely raised from 1.4887p to and the directors intend mmend a final of not less 3.578p. Last year a total lent to 4.6p was paid from of £2.25m.

F. S Huggins, chairman vehicle and tractor distributor, says the outlook for the second half is much better than last year when the group was faced with the Ford strike. However, the volume of business will not be as high as the first half.

Tax for the period takes £914,000, compared with £702,000, leaving the net balance up from £649,000 to £843,000. Earnings per 25p share are given as 16.8p (13.7p) before tax, and net earnings as 8.1p (6.6p).

The pre-tax surplus was struck after increased interest of £367,000 (£211,000).

H. Boot back in profit —improvement continues

A RECOVERY from losses of £836,000 to a profit of £12,000 in the first half of 1979 is reported by Henry Boot and Sons, the building and engineering concern. For the whole of last year, the group incurred a £3.7m loss, against a £2m profit.

The directors say third-quarter results confirm that there will be a significant improvement during the 1979 year. The main activities of the group are earning increasing profits, except for the leisure and agricultural equipment sides which remain in loss.

The net interim dividend is raised from 2.5p to 3p—there was no final payment last year.

Turnover for the half-year was £36.12m, compared with £36.64m. There is again no tax charge.

● comment

After resounding losses last year Henry Boot has inched back into profit and looks set for respectable full-year figures. The enormous losses in the construction sector had been completely eliminated by September following management changes and a retrenchment in activity. Boot has shown itself capable of major surprises in the past but profits of around £1.5m seem possible. This would put the shares, at 112p, on a p/e of 4.8—based on a 20 per cent tax charge. The rating takes full account of the low level of construction activity expected next year. The group remains strong enough financially to weather a recession, however, with net assets over three times the current market capitalisation. The yield of 14.3 per cent, assuming a 20 per cent rise on the 1977 final, is a major attraction.

Safeguard Industrial 14% ahead

PRE-TAX revenue of Safeguard Industrial Investments rose 14.2 per cent to £775,420 for the year to September 30, 1979, compared with £679,052 last time.

The net total dividend is lifted 17.5 per cent to 4.7p (4p), with a final of 3.2p. After tax of £244,898 (£221,407), stated earnings per 25p share are 15.8 per cent higher at 4.82p (4.16p).

Net asset value per share improved from 106.3p to 114.4p after deducting debenture stock at par, but no account is taken of contingent liability for capital gains tax of some £595,000—equal to 5.4p per share.

Headlam Sims sees lower profit

Taxable surplus of Headlam, Sims and Coggins, footwear manufacturer, rose marginally from £189,435 to £193,731 in the half year to July 31, 1979, on sales that eased slightly to £2.34m against £2.52m.

The full year's profit will not match last year's record £428,000, forecasts Mr. A. H. Coggins, chairman. But he confidently expects an increased year-end dividend will be paid from earnings—the interim payment now announced is raised from 0.7p to 1.0p net per 5p share—last year's final was 1p.

A scrip issue of one-for-four is proposed, and it is also intended to increase the capital from £200,000 to £300,000.

There is an increased tax charge this time of £97,300 (£94,000) and stated earnings are up from 4.03p to 4.07p per share.

The chairman adds that, overall, the company is well placed to take advantage of any trading opportunities that occur and is constantly looking at ways to update its products and services.

BRISTOL WATER ISSUE FLOPS

The general slide in the fixed interest market caught out the latest issue from Bristol Waterworks Company.

The issue of £7m of 8 per cent redeemable preference stock 1984 at a minimum price of par attracted few applications, and the underwriters have had to take up 83.86 per cent of the stock.

Dealings will start today.

Brokers to the issue were Seymour, Pierce and Hoare Govett.

BIDS AND DEALS

Thorn price slips below underwritten level

UNDERWRITERS of the cash element in Thorn Electrical Industries offer for EMI became exposed yesterday when Thorn's share price slid 10p to 326p. The underwriting price, fixed on Tuesday afternoon, is 330p.

EMI had insisted on a cash alternative to Thorn's new bid as a condition for recommending it to shareholders. So Hambros (Thorn's advisers) has offered to pay 330p for every Thorn share EMI's shareholders stand to receive if they would rather have cash than shares.

With Thorn offering 28 of its own shares (plus £58 of convertible preference stock) for every 100 EMI shares, the offer involves the issue of 31.1m new shares in Thorn.

Nearly 300 institutions, including the leading jobbers in Thorn's shares, accepted the invitation to share the risks of underwriting this issue to the tune of £102.6m cash.

Already, on paper, they have lost £1.3m, although part of this is covered by the fact that they receive a fee of around ¾ per cent for taking on the risk.

At one stage during the day their potential losses had looked even greater: Thorn's shares stood for a period at 316p, a 20p drop from Tuesday's price, and a third lower than Thorn's highest point for the year.

Whether Hambros and the institutions will incur real losses depends, of course, on how many shareholders prefer cash to Thorn shares when the bid is finally completed, if it is successful.

EMI's price in the market, 142p yesterday, down only 1p, compares with 150p, the value of the underwritten offer, and suggests that some investors still believe there could be other bidders about. So does Thorn, which is why it rushed through its revised offer on Tuesday.

At least two possible bidders for the whole of EMI have been mentioned, one British and one foreign, but they are outnumbered by companies who would prefer to buy parts of the medical electronics to music business.

Sir Richard Cave, Thorn's chairman, will not be drawn over possible divisional sales if the bid goes through. But he did say on Tuesday that Lord Delfont will be looking at the music and leisure side of Thorn/EMI "with an open mind." The music business, worldwide, is undergoing considerable change, and Sir Richard could not guarantee that EMI's music side would "keep its present shape."

The music, leisure and entertainment business is to be reconstituted as a separate subsidiary under Lord Delfont, who joins the Board of Thorn/EMI along with Sir John Read and Mr. Bhaskar Menon, who currently heads the music division.

Montfort still rejects Dixon

Montfort (Knitting Mills) continues to hold out against the £2.5m bid by David Dixon and Son, and says the formal offer document contains nothing to change its view that the terms are wholly unacceptable.

Dixon already controls nearly 11 per cent of the Montfort shares and notes in the document that its offer, which values each share at 83.75p, represents a 16.3 per cent rise on the market price on October 25, the day before the bid.

By acquiring Montfort, Dixon says its range will be extended into an area compatible with its existing products. "As a combined force, we should be better able to consolidate and improve our share of the domestic market, particularly in the hosiery sector, and to improve our penetration of the valuable export markets."

If the bid succeeds, the new company would have net tangible assets of £4.8m. The closing date is November 27, and Montfort said yesterday that it would be writing to shareholders with detailed reasons of why they should turn the offer down.

SHARE STAKES

R. Green Properties—D. R. Kirch has acquired a further 35,000 shares making holding 675,000 (5.534 per cent).

Brigray Group—J. Shane has disposed of 50,000 shares leaving holding 897,000 (11.8 per cent).

Wearwell—A. Nadir, director, has bought 100,000 shares. A. J. Doshi, director, 20,000 shares and F. Nevzat, director, 25,000 shares. R. J. Strong has sold 31,000 shares from non-beneficial interest.

Dawnay Day Group—Rothschild Investment Trust and subsidiaries own 1,550,000 shares (5.6 per cent).

Hoover Ltd—The Hoover Company of the U.S. has acquired 45,000 shares making holding 5.3m (69.34 per cent).

Forward Technology Industries—Wife of J. E. V. Green, director, sold 20,000 shares on October 29 and he is now interested in 3,192,500 shares, including 2,888,334 held as trustee of the G. S. J. Allen Discretionary Trust.

Eagle Star sells to avoid mandatory bid

Eagle Star has had to offload some of the shares in Bernard Sunley Investment Trust that it picked up in the market on Tuesday. Otherwise it would have increased an obligation to make a mandatory bid.

With Sunley's shares standing at under 600p in the market (the bid is 680p cash) Eagle Star authorised its brokers to buy and, in consequence, picked up 355,000 Sunley shares. This amounted to 2.2 per cent of the equity.

Eagle Star already owned 33 per cent of Sunley. Under Takeover Panel rules shareholders who own more than 30 per cent of a company may not buy more than 2 per cent more per year without triggering off a mandatory bid under Rule 34.

Eagle Star had thereby incurred an obligation to bid under this rule which imposes much more stringent conditions on the bidder than a normal offer. In particular, Eagle Star would not have been able to include the prior sale of the construction business of Sunley, as a condition of the bid.

To avoid a mandatory bid Eagle Star offloaded sufficient shares, 35,000 of them, to bring it back to the 2 per cent level. It obtained Takeover Panel permission for the sale.

BTR/CAMPBELL AND ISHERWOOD

The offer by a subsidiary of BTR for Campbell and Isherwood has been declared unconditional, subject only to the passing and implementation of the resolution to reorganise Campbell's capital at today's AGM.

Acceptances have been received in respect of 930,680 ordinary shares (94.1 per cent) and 139,682 preference shares (89.6 per cent).

The offer remains open.

WESTBRICK SALE

Westbrick Products has sold Tubeboring (Cheltenham) to Warwick Engineering for £268,308, satisfied as to £88,644 cash and the issue of Bills of Exchange.

The balance sheet on March 31 showed net tangible assets of Tubeboring at £199,000. Tubeboring made a loss of £5,800 in 1978-79, although the management accounts showed a contribution to the profits of Westbrick in the current year.

Regarding the acquisition of Brensal Group Products, the final consideration has now been calculated at £335,000 which has been agreed with HAT Group, the buyer.

Plans outlined for Dryden expansion

Great Lakes Forest Products plans to invest more than C$200m (£82m) in the assets it is buying from Reed Paper, the Canadian subsidiary of Reed International, in the Dryden area of Ontario.

It will spend the money over three to four years to modernise and expand the Kraft pulp capacity and will also consider investment in a 175,000-tonne per year newsprint machine there.

Great Lakes, a 54 per cent owned subsidiary of Canadian Pacific Investments, is paying around C$80m for the Dryden complex, which recovered from a C$1.1m loss to a C$12.6m trading profit in the nine months to September 30.

Reed has noted that very large expenditures would be needed to expand capacity at Dryden and make full use of the adjacent forests. The sale would leave it with the 330,000 tonne newsprint mill in Quebec and its related forest operations on the north shore of the St. Lawrence River, and businesses in lignosulphonate, flexible packaging, and pigments.

These operations made trading profits of C$32.6m in the nine months against C$22.1m in the same period of 1978.

WALTER LAWRENCE

For £220,000, Walter Lawrence has acquired Gordon Tools of Sheffield. Net tangible assets total £424,000. For the nine months to September 1979, the company traded at a loss.

Lawrence considers that the acquisition will lead to a logical expansion of its engineering activities by providing further market penetration and improving the utilisation of existing manufacturing facilities.

REDLAND ISSUE

Redland has issued 816,328 shares against the exercise of the whole of the conversion rights attached to an unlisted 10 per cent convertible unsecured loan stock 1981-90.

This was issued in March 1974 pursuant to an agreement with the vendors of the remaining 40 per cent of the capital of Tuthill Developments.

EUROPEAN OPTIONS EXCHANGE

Series		Jan. Vol.	Jan. Last	April Vol.	April Last	July Vol.	July Last	Stock
ABN C	F.340	4	1.70	—	—	—	—	F.351
ABN C	F.350	—	—	—	—	1	2	"
AKZ C	F.25	—	—	105	2.50	25	2.70	F.25
AKZ C	F.27.50	6	0.60	27	1.40	12	1.70	"
AKZ C	F.30	10	0.30	54	0.70	30	0.70	"
AKZ C	F.27.50	210	2.50	15	2.70	10	2.80	"
AKZ P	F.30	11	5	2	5.80	—	—	"
AKZ P	F.32.50	1	7.50	—	—	—	—	"
ARB C	F.65	—	—	—	—	3	5.50	F.66.80
CSF C	F.480	—	—	2	9	—	—	F.406
HO C	F.27.50	5	0.50	—	—	1	2.40	F.24.50
HO C	F.32.50	10	0.10	—	—	—	—	"
IBM C	$60	104	5	—	—	—	—	$61⅛
IBM C	$65	165	2	—	—	—	—	"
IBM C	$70	5	½	2	2	—	—	"
KLM C	F.80	120	1.70	127	5	49	6.40	F.71.60
KLM C	F.90	125	0.40	65	1.30	11	2.50	"
KLM C	F.100	1	0.20	65	0.60	—	—	"
KLM C	F.110	55	0.10	17	0.30	—	—	"
KLM P	F.80	155	8.60	3	8	15	6.60	"
KLM P	F.90	41	16	126	18	—	—	"
KLM P	F.100	4	29	—	—	—	—	"
NN C	F.110	15	6.80	—	—	—	—	F.115.90
NN C	F.115	6	5.20	—	—	—	—	"
NN C	F.120	50	1.50	—	—	—	—	"
NN C	F.125	3	0.20	2	1.80	—	—	"
PET C	Fr42.00	5	1090	—	—	—	—	Fr.5250
PET C	Fr.4400	1	890	—	—	10	5½	"
PET C	Fr.4600	4	590	—	—	5	0.90	$21⅛
PET C	Fr.5500	10	250	9	350	—	—	"
PET P	Fr.6000	12	90	1	180	—	—	"
PHI C	F.20	—	—	—	—	58	2.50	F.21.20
PHI C	F.22.50	154	0.50	47	0.90	76	1.30	"
PHI C	F.25	5	0.20	62	0.40	—	—	"
PHI P	F.20	—	—	4	0.80	—	—	"
PHI P	F.22.50	51	1.50	—	—	75	1.80	"
PHI P	F.25	1	3.50	—	—	—	—	"
PHI C	F.27.50	10	6.30	—	—	—	—	"
PRD C	$25	4	2⅛	—	—	—	—	$25⅛
PRD C	$30	18	¼	—	—	—	—	"
PSA C	F.260	2	7	—	—	—	—	F.256.90
PSA P	F.300	—	—	6	4.50	—	—	"
PU C	F.300	5	11.80	—	—	5	23	F.274
PU C	F.320	—	—	—	—	—	—	"
RD C	F.135	20	11.50	—	—	—	—	F.142.20
RD C	F.140	10	8.50	11	10.50	—	—	"
RD C	F.145	194	5.50	40	8	—	—	"
RD C	F.150	455	2.60	44	6.20	50	7.10	"
RD C	F.160	284	1	26	2.50	—	—	"
RD P	F.135	226	1	—	—	—	—	"
RD P	F.140	342	2.70	46	5.20	—	—	"
RD P	F.145	155	4.50	21	4.10	—	—	"
RD P	F.150	615	7.40	405	7.80	12	10.80	"
RD P	F.160	11	17	105	16.60	—	—	"
UNI C	F.120	—	—	6	1.50	1	3.30	F.115
UNI C	F.125	—	—	—	—	1	3	"
UNI C	F.130	—	—	24	0.50	—	—	"
XRX C	$50	4	9½	—	—	—	—	$58
XRX C	$60	4	9¼	—	—	—	—	"
		Nov.		Feb.		May		
BAZ C	$40	16	4½	—	—	—	—	$44¼
BAZ C	$45	—	—	1	3¼	—	—	"
BAZ C	$50	—	—	—	—	22	2⅛	"
SLB C	$73⅛	1	15¼	—	—	—	—	$86¼
SLY C	$90	26	½	1	3½	1	6¾	"
		Dec.		March		June		
GM C	$50	6	5½	—	—	—	—	$55⅛
TOTAL VOLUME IN CONTRACTS						5656		

C=Call P=Put

APPOINTMENTS

Chemical co-ordinator at Shell

…. M. J. Waale, general …ager of the industrial …icals division in Shell …national Chemical Company, … been appointed to succeed … W. C. Thomson as chemical …dinator, London. Mr. …nson has become a group …aging director of the Royal …h/Shell Group of Companies. … Waale at present retains …onsibility for industrial …icals division.

…tween 1950 and 1954, Mr. …le worked in the fermenta… department of the CSM …r company in Amsterdam and in 1954 he joined the Shell Research laboratories in Amsterdam where he was for nine years, finally becoming chemical process research and process development manager. From 1963 he held a number of senior manufacturing positions in The Hague, at Berre in France and at Stanlow and Carrington in the UK. In 1974 he became manufacturing director of Shell Chemicals UK and in 1975 he was appointed regional co-ordinator chemicals, Europe, based in The Hague. He was made general manager of the industrial chemicals division of Shell International Chemical Company in 1976.

★

Mr. Philip Caldwell, president and chief executive officer of Ford Motor Company, has been appointed to the international advisory committee of the CHASE MANHATTAN BANK, N.A. Mr. Caldwell's appointment coincides with the departure from the committee of Mr. Henry Ford II, chairman of Ford Motor Company and chairman of the finance committee, who has retired as Ford's chief executive officer.

The international advisory committee, formed by Chase in the mid-1960s, advises the bank on matters affecting international operations, particularly economic issues. Its members are industrialists and economists from 14 countries.

★

Mr. Steven Gibbs, chairman of Turner and Newall, has been elected president of the PLASTICS AND RUBBER INSTITUTE.

★

Mr. P. C. L. Guy has been appointed production director of TI ROD AND WIRE, of Witton, Birmingham. Mr. Guy joined Tube Investments in 1965 as a graduate trainee. After holding a number of appointments in the engineering and steel industries, he became director and general manager of Howard Tenens Engineering, now Willenhall Manufacturing, in 1977.

★

Mr. R. D. Boot and Mr. C. B. Bloom have been appointed directors of RUHAAK, a subsidiary of Rolls-Royce Motors.

★

GRIDLE INVESTMENTS has made the following group appointments: Mr. R. B. Levick, chief executive and managing director of the group; Mr. F. A. Bridger, chairman, Essex Telegraph Press; Mr. R. Phillips, managing director, Gridle Motor Holdings; and Mr. G. Wood, chairman, In-Company Development Consulting Group.

★

Mr. J. W. McRae has been appointed deputy managing director of GLANVILL ENTHOVEN (MARINE), a member of the Charterhouse Group.

★

Mr. Kenneth Eyles has retired from the Board of GROSVENOR ESTATE COMMERCIAL DEVELOPMENTS. Mr. J. N. C. James, trustee of Grosvenor Estate, succeeds Mr. Eyles as deputy chairman and Mr. J. M. Marshall is appointed to the Board. Mr. Marshall is the senior partner of Bremner Sons and Coriett.

★

Mr. A. P. G. Giles has been appointed assistant managing director of EDGAR PICKERING (BLACKBURN) and retains his responsibilities as group financial director and company secretary. Mr. B. G. P. Dobson is to retire as sales director at the end of this year to take up a new appointment for personal and family reasons.

★

Mr. Brian Thorp has been appointed managing director of W. J. NOBLE AND SON, a member of the Jefferson Smurfit Group. He was previously financial director in Smurfit's Folding Carton and Merchanting Division and succeeds Mr. Harold Redwood, who is now sales and marketing director of Smurfit Folding Cartons Limited, based in the London office. Mr. Keith Thompson has also joined Noble's as production manager. He was print manager at Austin Packaging.

★

Mr. Frank Thomlinson has been appointed a director of TATE AND LYLE. He is a member of the Group Management Board and will retain responsibilities as managing director of Tate and Lyle Food and Distribution.

N.E. Co-op trade controller

Mr. Richard Capell has joined the executive management team of the NORTH EASTERN CO-OPERATIVE SOCIETY as service trades controller. He was previously chief accountant of Lonsdale and Thompson, a member of the Union International group.

Mr. Richard Capell

★

Mr. G. A. Whittaker, a director of Guinness Peat Group, has been appointed chairman of its subsidiary company LEWIS AND PEAT CHEMICALS in succession to Mr. J. B. Aldersley, who has retired. Mr. Aldersley will continue to act as consultant to Lewis and Peat Chemicals. Mr. P. Briess, a director of Lewis and Peat Chemicals, assumes overall responsibility for development within the chemical division. Mr. R. C. Phillips, managing director of W. G. Spice and Co., has become a director of Guinness Peat International.

★

The IDC Group has made the following appointments in its main subsidiary, IDC LIMITED: Mr. M. T. Stanton, director, sales and marketing; Mr. R. D. J. Darnley, director, estimating; and Mr. A. Chadd, associate director, building economy.

Mr. M. J. Waale

★

The BRITISH TRANSPORT DOCKS BOARD has appointed Captain M. T. … as dock master at its Humber port, Hull. He succeeds Captain D. C. Thomas, who recently took up his new appointment as deputy harbour master/dredging superintendent, Humber.

Pressed Steel Fisher body engineering director

Mr. Kenneth C. Edwards has become director, body engineering, PRESSED STEEL FISHER, reporting to Mr. A. Barr, managing director of PSF. Since joining BL in 1973, Mr. Edwards has held senior appointments in Cars, Leyland Vehicles, and Leyland International. His most recent position being general manager, SU Fuel Systems. Pressed Steel Fisher is a subsidiary of BL.

★

Mr. Richard A. Fisk has joined the Board of PHOTOBITION as sales director.

★

Mr. Roger Salmon has been appointed a director of SMARTS LAUNDRIES (MANCHESTER). He was general manager at Manchester.

★

Mr. C. E. Langdale, managing director of the food division, has been appointed to the Board of UNIGATE. Mr. Christopher Ball has become managing director of the milk division.

Lieutenant Commander J. M. Chappell, managing director of the Finsbury Distillery, has been appointed to the Board of MATTHEW CLARK AND SONS LIMITED. Lieutenant Commander Chappell has been a member of the main Board of Matthew Clark and Sons (Holdings) since 1973.

★

Mr. Neil Munro has been appointed group managing director of ICPS, succeding Mr. John J. Collins, who becomes deputy chairman. Mr. Munro was previously a consultant to Midland News Association and chairman of Keith Prowse Holdings. He is a director of Electronic Machine Company Ltd.

★

Mr. Peter T. Warry has been appointed managing director of SELF-CHANGING GEARS, a company within BL Commercial Vehicles. He joins Self-Changing Gears on November 26 and his appointment follows the departure of Mr. Peter Quick, who is now managing director of Leyland Nigeria. Mr. Warry went to BL in 1976 as a senior analyst in corporate planning, in the company's London headquarters. In 1977 he joined Leyland Vehicles (with SCG, a member of BLVC) as resource planning manager, a position he held for a year before joining Baird Textile Holdings in a financial role in 1978.

★

Mr. David Bangham has been appointed managing director of MICOR and remains on the Board of the parent concern Sandvik UK and continues as marketing director of its saws and tools division.

★

Mr. David Graul has been appointed vice president and trust officer, and Mr. John P. Hanchak, trust officer, at CITY NATIONAL BANK.

★

Mr. W. B. Forster, a director of BROWN AND TAWSE since 1956, has retired from the Board.

Nedbank Group Limited

(Incorporated in the Republic of South Africa)

PROFIT AND FINAL DIVIDEND

FOR THE YEAR ENDED 30TH SEPTEMBER 1979

Profit

The following consolidated profits, subject to final audit, for the year ended 30th September, 1979 have been arrived at after making transfers to internal reserves.

	1979	1978
Taxed income	R49 120 000	R38 260 000
Less: Outside shareholders' interest in the profits of subsidiaries	1 727 000	1 551 000
Profit for the year attributable to shareholders of the Nedbank Group	R47 393 000	R36 709 000
Fully paid ordinary shares in issue	87 475 497	86 086 000
Earnings per share	54,1 cents	42,7 cents
Dividends – paid and proposed – per share	27,0 cents	21,0 cents

Final dividend

A final dividend of 18,5 cents per share is proposed, which together with the interim dividend of 8,5 cents per share, makes a total dividend for the year ended 30th September 1979 of 27,0 cents per share.

The final dividend will be payable to shareholders registered in the books of the company at the close of business on 28th December 1979. Dividend warrants will be posted on or about 25th January 1980. Non-resident shareholders tax will be deducted from dividends payable to non-resident shareholders. The transfer registers of the company will be closed from 29th December 1979 to 6th January 1980, both days inclusive.

Comment

The after tax profit increased by 29,1% to R47 393 000. Commensurately the return on Group shareholders funds increased from 18,6% to 21,1%.

Based on a twice covered dividend policy the Group maintained its capital surplus position and can service a substantial growth in liabilities to the public. Total assets increased by 14% to R3 745 245 000.

The Annual General Meeting of Shareholders will be held in Cape Town on 10th December 1979 and the Annual Report will be posted to shareholders on 17th November 1979.

F. J. C. Cronjé (Chairman)

Registered Office:
81 Main Street
Johannesburg 2001

23rd October 1979.

NOTICE OF REDEMPTION

To the Holders of

Compañía Anónima Nacional Teléfonos de Venezuela

8¼% Guaranteed Sinking Fund Debentures Due 1987

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Fiscal Agency Agreement dated as of December 15, 1972 providing for the above Debentures, $350,000 principal amount of said Debentures bearing the following serial numbers have been selected for redemption on December 15, 1979, through operation of the Sinking Fund, at the principal amount thereof, together with accrued interest thereon to said date:

OUTSTANDING DEBENTURES OF $1,000 EACH OF PREFIX "M" BEARING THE DISTINCTIVE NUMBERS ENDING IN ANY OF THE FOLLOWING TWO DIGITS:

07 68

ALSO OUTSTANDING DEBENTURES OF $1,000 EACH OF PREFIX "M" BEARING THE FOLLOWING NUMBERS:

7	1035	2235	2935	3835	4835	5635	6435	7235	8035	9135	10135	11035	12035	12735	13435	14235
235	1135	2335	3035	4135	4935	5735	6535	7335	8135	9235	10235	11135	12135	12835	13535	14335
335	1235	2435	3235	4235	5135	5835	6735	7435	8235	9435	10335	11235	12235	12935	13635	14535
535	1335	2535	3435	4335	5235	5935	6835	7535	8435	9535	10435	11335	12335	13035	13735	14635
635	1435	2635	3535	4435	5335	6135	6935	7635	8635	9635	10535	11435	12435	13135	13935	14735
835	1535	2735	3635	4535	5435	6235	7035	7735	8735	9735	10735	11835	12535	13235	14035	14835
935	2135	2835	3735	4735	5535	6335	7135	7935	9035	10035	10635	11935	12635	13335	14135	14935

On December 15, 1979, the Debentures designated above will become due and payable in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts. Said Debentures will be paid, upon presentation and surrender thereof with all coupons appertaining thereto maturing after the redemption date, at the option of the holder either (a) at the corporate trust office of Morgan Guaranty Trust Company of New York, 13th Floor, 30 West Broadway, New York, N.Y. 10015, or (b) at the main offices of any of the following: Morgan Guaranty Trust Company of New York in Brussels, Frankfurt am Main, London, Paris and Zurich; Bank Mees & Hope NV in Amsterdam; Banca Vonwiller & C. S.p.A. in Milan and Rome and Credit Industriel d'Alsace et de Lorraine, S.A. in Luxembourg. Payments at the offices referred to in (b) above will be made by check drawn on a dollar account, or by transfer to a dollar account maintained by the payee with a bank in New York City.

Coupons due December 15, 1979 should be detached and collected in the usual manner.

On and after December 15, 1979 interest shall cease to accrue on the Debentures herein designated for redemption.

Compañía Anónima Nacional Teléfonos de Venezuela

Dated: November 8, 1979

NOTICE

The following Debentures previously called for redemption have not as yet been presented for payment:

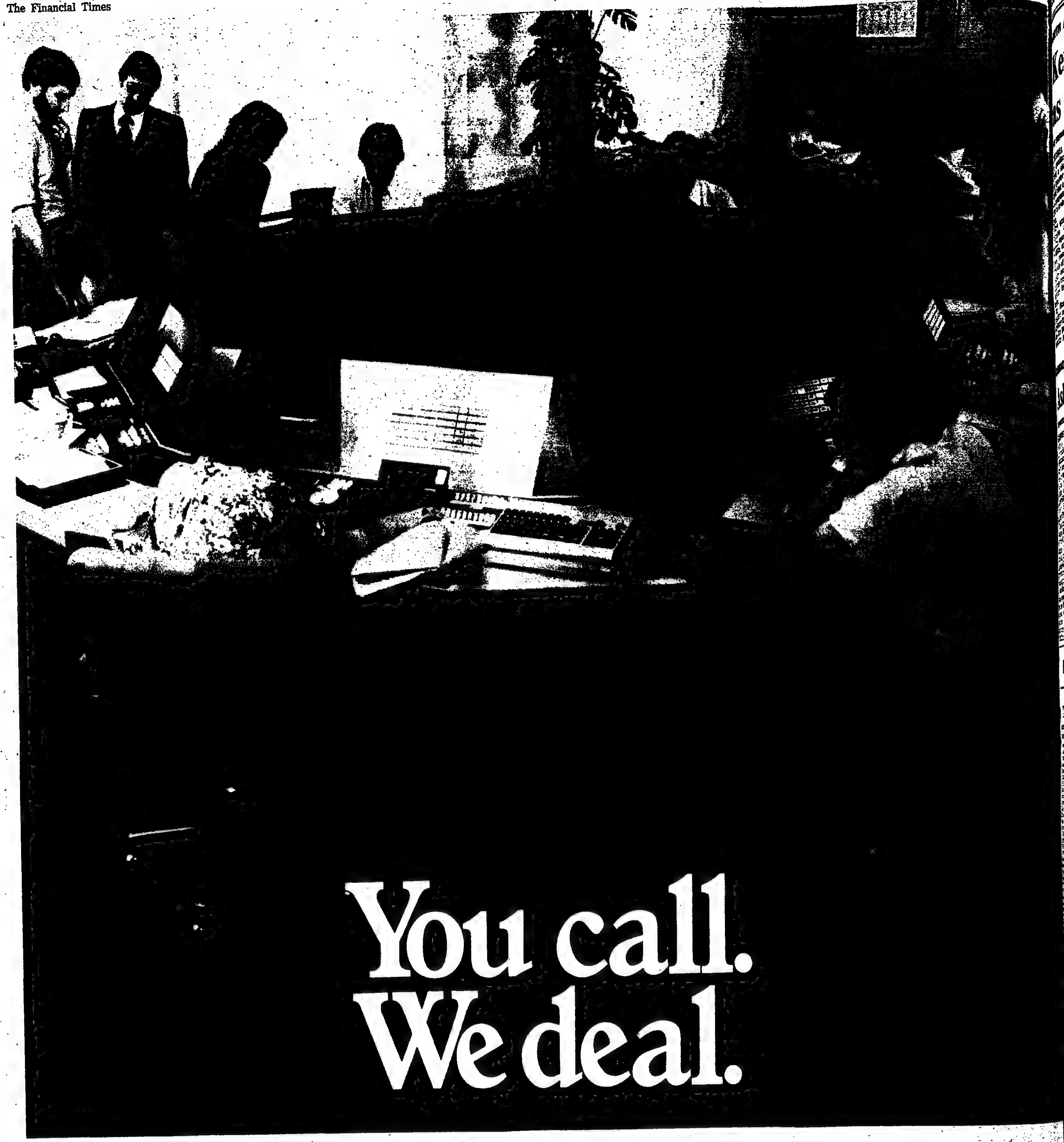
DEBENTURES OF $1,000 EACH

M132	1259	2824	3563	4383	5183	6374	7459	8183	9410	10432	11624	12283	12859	13259	13632	14732
263	1274	2832	3610	4410	5210	6410	7559	8191	9883	10459	11659	12310	12874	13274	13710	14810
310	1383	3010	3674	4432	5332	6659	7683	8210	9910	10483	11732	12324	12883	13261	13732	14824
459	1424	3024	3683	4459	5259	6710	7710	8219	9924	10510	11932	[illegible]	12959	13283	13783	14859
559	1459	3067	3859	4474	5274	6732	7824	8220	9932	10533	11958	12363	12963	13284	13811	14883
574	1474	3070	3924	4524	5283	6783	7832	8259	9942	10583	11974	12410	13010	13286	13825	14910
624	1559	3074	3932	4532	5310	6810	7910	8283	9974	10610	11983	12424	13024	13288	13832	14959
659	1874	3082	3959	4759	5324	7024	7932	8474	9981	10674	12010	[illegible]	13032	13299	13835	14974
674	1883	3083	3974	4874	5524	7110	7963	8510	9987	10910	12024	12434	13059	13300	13843	14983
774	1910	3259	4024	4910	5583	7124	7997	8524	9989	11274	12032	12462	13074	13310	13910	14950
810	1932	3324	4032	5032	5610	7224	8007	8532	10010	11310	12048	[illegible]	13083	13324	13932	
832	1974	3333	4059	5053	5974	7234	8009	8533	10032	11324	12059	12510	13110	13332	13963	
883	1983	3374	4124	5054	6010	7259	8010	8724	10059	11332	12074	12511	13124	13359	14010	
910	2062	3424	4146	5059	6032	7274	8014	8732	10074	11374	12083	12524	13132	13410	14024	
932	2424	3432	4174	5069	6107	7310	8032	8910	10124	11383	12110	12532	13174	13432	14210	
1024	2432	3459	4183	5070	6124	7324	8059	9196	10174	11411	12124	12583	13210	13459	14310	
1032	2474	3474	4190	5074	6132	7332	8124	9224	10283	11424	12132	12710	13232	13483	14332	
1124	2724	3483	4324	5083	6310	7359	8159	9259	10311	11459	12159	12724	13236	13510	14432	
1159	2759	3524	4359	5096	6362	7374	8174	9374	10324	11483	12183	12759	13245	13532	14510	
1232	2783	3574	4374	5110	6368	7410	8181	9383	10410	11510	12211	12774	13262	13610	14674	

BASE LENDING RATES

A.B.N. Bank	14 %	■ Hill Samuel	§14 %
Allied Irish Bank	14 %	C. Hoare & Co.	†14 %
Amro Bank	14 %	Julian S. Hodge	15 %
American Express Bk.	14 %	Hongkong & Shanghai	14 %
A P Bank Ltd.	14 %	Industrial Bk. of Scot.	14½%
Henry Ansbacher	14 %	Keyser Ullmann	14 %
Associates Cap. Corp.	14 %	Knowsley & Co. Ltd.	15½%
Banco de Bilbao	14 %	Lloyds Bank	14 %
Bank of Credit & Cmce.	14 %	London Mercantile	14 %
Bank of Cyprus	14 %	Edward Manson & Co.	15 %
Bank of N.S.W.	14 %	Midland Bank	14 %
Banque Belge Ltd.	14 %	■ Samuel Montagu	14 %
Banque du Rhone et de la Tamise S.A.	14½%	■ Morgan Grenfell	14 %
Barclays Bank	14 %	National Westminster	14 %
Bremar Holdings Ltd.	15 %	Norwich General Trust	14 %
Brit. Bank of Mid. East	14 %	P. S. Refson & Co.	14 %
■ Brown Shipley	14 %	Rossminster	14 %
Canada Perm't Trust	15 %	Ryl. Bk. Canada (Ldn.)	14 %
Cayzer Ltd.	14 %	Schlesinger Limited	14 %
Cedar Holdings	14 %	E. S. Schwab	15 %
■ Charterhouse Japhet	14 %	Security Trust Co. Ltd.	15 %
Choulartons	14 %	Shenley Trust	16 %
C. E. Coates	14 %	Standard Chartered	14 %
Consolidated Credits	14 %	Trade Dev. Bank	14 %
Co-operative Bank	*14 %	Trustee Savings Bank	14 %
Corinthian Secs.	14 %	Twentieth Century Bk.	15 %
The Cyprus Popular Bk.	14 %	United Bank of Kuwait	14 %
Duncan Lawrie	14 %	Whiteaway Laidlaw	14½%
Eagil Trust	14 %	Williams & Glyn's	14 %
E. T. Trust Limited	14 %	Yorkshire Bank	14 %
First Nat. Fin. Corp.	15½%		
First Nat. Secs. Ltd.	15½%		
■ Antony Gibbs	14 %		
Greyhound Guaranty	14 %		
Grindlays Bank	†14 %		
■ Guinness Mahon	14 %		
■ Hambros Bank	14 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 11½%, 1-month deposits 11¾%.
† 7-day deposits on sums of £10,000 and under 11½%, up to £25,000 12¼% and over £25,000 12¾%.
‡ Call deposits over £1,000 11½%.
§ Demand deposits 11½%.


You call.
We deal.

ORTH AMERICAN NEWS

Kerkorian willing to sell as Columbia earnings fall

BY STEWART FLEMING IN NEW YORK

OLUMBIA Pictures, the U.S. m producer, yesterday reprted a sharp decline in its st quarter earnings and disosed that a major shareholder as prepared to sell out if an fer is made for the company's ock.

First quarter earnings for olumbia are down from 0.7m, equal to $1.11 a share, $4.9m, or 50 cents a share om continuing operations. ne sale of its Arista Records vision contributed an extradinary gain of $4m, bringing rnings for the quarter to .9m.

Mr. Francis T. Vincent, esident and chief executive, ted that the decline in income s due principally to lower erating profits of the film entertainment group. He said that the company's summer releases were not well received.

In contrast, the previous year's first quarter earnings had benefited from the continuing popularity of the company's highest-ever grossing film "Close Encounters of the Third Kind."

Mr. Vincent added that for the balance of the year the company's line-up of both television and cinema films gives it confidence

The announcement concerning the prospective sale of a block of Columbia stock appears to be a further step in manoeuvrings which could result in Mr. Jerry Perenchio, a West Coast television and film producer, buying a stake in the company.

Columbia disclosed that Mr. Kirk Kerkorian, the largest single holder of Columbia stock with a 25 per cent stake, has expressed an interest in selling his shares on a pro rata basis if an offer is made for the company stock.

Last week it emerged that Mr. Perenchio was seeking to buy 39 per cent of Columbia and had offered Mr. Kerkorian $50 a share for his 2.3m shares. Another major shareholder with interests related to Mr. Herbert A. Allen, the investment banker, is reportedly reluctant to sell unless an offer is made to all shareholders. This stance has apparently resulted in Mr. Perenchio's holding off from purchasing any stock.

ANADIAN NEWS

Asbestos profits rise one-third

BY ROBERT GIBBENS IN MONTREAL

BESTOS CORPORATION, ich is the target of an propriation bid by the Quebec vernment, has reported a per cent increase in earngs for the first nine months this year. Profits were 12.8m or C$4.52 a share ainst C$9.6m or C$3.39 a year rlier. Sales were C$126m ainst C$101m.

The company is controlled by neral Dynamics Corporation the U.S. It is the second rgest fibre producer in nada and the right of the ebec Government to use exopriation legislation is being allenged in the courts.

Air Canada, the national aire, reported profit of C$69.2m the first nine months comred with C$50.6m a year rlier. Operating revenues vance by 21 per cent to .2bn.

Third quarter profit was C$18.3m, up 69 per cent—the third quarter of 1978 was affected by a shutdown of operations. Operating revenues were C$494m, up 38 per cent, while passenger volume rose 30 per cent.

● **Massey Ferguson and Federale Volksbeleggings (FVB)** have announced details of proposals *whereby control of the* Canadian group's South African *operations will pass into local* hands, writes **Jim Jones from *Johannesburg*.**

Currently the Canadian parent owns 51 per cent of Massey Ferguson (South Africa), but in exchange for FVB redeemable preference shares worth R2.5m ($3m) the parent is cutting its interest to 24.9 per cent. By doing this, previous legal restraints on Massey Ferguson's local borrowing ability will fall away, allowing greater utilisation of dead capital.

At present FVB has a 30.7 per cent stake in Massey Ferguson SA, but it is not content with merely acquiring shares from the Canadians. In a parallel move, outside shareholders are being offered 160 FVB ordinary shares for every 100 Massey Ferguson shares held. Shareholders who do not want to hold FVB are being offered a cash option worth R3.52 per Massey Ferguson share. That compares with a price of R2.80 ahead of Massey Ferguson's stock exchange suspension in October. Following the proposed control change, Massey Ferguson (Canada) will continue to provide technical aid and know-how to the South African operation.

Oil groups in $6.4bn overpricing charges

By Our New York Staff

The U.S. Department of Energy yesterday fired another volley of overpricing accusations at the major oil companies, taking to $6.4bn the sum the companies could be forced to repay if the allegations are upheld in court.

The department also warned that its special audit of the books of 15 oil companies for the period 1973 to 1976 would probably produce "dozens more" similar allegations before the end of the year, the deadline for completing the audit.

The oil companies, already fearful about the likely terms of the Carter Administration's *windfall profits tax Bill now* before Congress, responded angrily to the *announcement* of a further $1.2bn of actions *against them.*

Shell Oil, one of nine companies named in the new charges, said that the allegations represented "another example of the agency's attempt at retroactive rulemaking and reinterpretation of vague and confusing regulations five years after they were put into effect." The basis of most of the charges is the department's contention that between 1973 and 1976 the 15 biggest oil companies failed to implement correctly the laid down formulae for calculating the portion of their costs which could be passed on in higher prices.

In some cases the department says that they simply used too high figures, in others they worked from an incorrect base on matters such as labour costs, transport costs and the cost of meeting anti-pollution standards. The dispute is extremely detailed and complex and several strands of it are already the subject of court action. It is likely, however, that once the full tally of the department's allegations is known there will be an attempt to create a portmanteau action before an administrative law judge.

If the department wins, it will seek the repayment in full of all sums ruled to be excessive. Payment would either be in the form of a cut in the charges for oil products, cash rebates, or a payment to the U.S. Treasury. Of the nine companies listed in the department's latest charges, the most significant overpricing alleged is against Mobil, with $275m, Shell with $218m, and Standard Oil of Ohio with $179m.

The Wages and Prices Council is also continuing its separate investigation of oil industry *profit margins.* Mr. Alfred Kahn, the White House's chief *inflation adviser, said it* appeared possible that violations would be demonstrated in a study of the companies' *recently announced quarterly* earnings figures, which *showed huge profit gains.*

Strong third quarter at Coca-Cola

By Our Financial Staff

A STRONG third quarter at Coca-Cola has maintained the upward trend in earnings and brings the company in sight of the earnings total equal to about $3.40 a share for the year already predicted

Third quarter net is 14 per cent higher at $122.2m with share earnings at 99 cents a share against 87 cents, on sales 12 per cent up at $1.33bn.

The nine month earnings total of $331m shows a 13 per cent gain, while share earnings have risen from $2.37 to $2.68. Sales, at $3.71bn, are 14 per cent ahead.

Illinois sets up insurance exchange board

SPRINGFIELD—The Illinois Department of Insurance said yesterday that it had appointed a 13-member interim governing board for the Illinois Insurance Exchange.

The board, which may serve for as long as a year, will prepare a constitution and by-laws for the exchange, select a site for the facility, establish accounting procedures and conditions of participation by brokers and underwriting syndicates and deal with questions regarding the applicability of securities and tax laws to exchange participation.

State legislation authorising the exchange provides that property and liability risks with a premium above $50,000, or which cannot be placed in the regular market, can be written through the exchange. Capitalisation of $2m is required for syndicates.

Reuter

CNA growth

Insurance group CNA Financial Corporation has pushed earnings ahead in the third quarter from $35.9m or 92 cents to $45.9m or $1.20, on sales of $673.1m against $593.7m, Reuter reports from New York. Nine month earnings of $128.5m or $3.35 compare with $105.2m or $2.69 and sales of $1.95bn with $1.73bn.

EUROBONDS

DM issue yields edge higher

BY FRANCIS GHILES

DEVELOPMENTS this week strongly suggest to German bankers that borrowers both in the foreign and domestic Deutsche-Mark bond market will have to pay higher coupons in the weeks to come.

Commerzbank is offering a coupon of 8¼ per cent on the five-year DM 100m private placement it is arranging for New Zealand. If the traditional ¾ per cent selling allowance is taken into consideration, the yield will be 8.44 per cent, which stands about 60 basis points above what can be obtained in the secondary *foreign DM* bond market on paper of similar quality and maturity.

As news of the terms of the *New Zealand issue* spread, German dealers marked foreign *D-Mark* bonds *down* by about ¼ a point. Shorter and longer *dated* bonds were *equally hit.* Some German bankers still point their finger at the DM 100m EIB issue signed on Tuesday which offered a yield of 8¼ per cent—higher than what could then be *obtained* on paper of a similar quality.

Fears of a general movement upwards in interest rates in Germany would seem to be more general, however. The great success of the *DM* 2bn-worth of "Carter bonds" where allotments were announced on Tuesday pointed to investor keenness to buy short-term paper: the "Carter bonds" are split into 2½- and 3½-year tranches.

The success of the "Carter bonds" led to the cancellation yesterday by the Bundesbank of the domestic D-Mark bond for the Federal Republic, details of which were due to be announced on Friday. Such issues usually carry maturities of around 8 to 12 years. Instead, the Bundesbank will proceed with a tender of two-year Schatzanweisungen notes which are *equivalent to money market* instruments.

In the French franc sector also, yields on outstanding *issues are rising sharply. Prices* on most issues have shed between one an dtwo points since last Friday and yields *have shot up. Price falls* are due as much to selling orders *as dealer fears of further rises* in Euro-French franc interest *rates, which have not increased* much recently.

The 9¼ per cent Peugeot bond to 1987 yields 12.51 per cent, up 24 points since Monday, whiel the 10 per cent Unilever bond to 1985 yields 12.46 per cent, up 52 basis points since Monday.

Straight dollar bonds were marked down by an average of ½ a point yesterday in thin trading. The announcement that Chase Manhattan was raising its prime rate to 15¼ per cent came too late to have any effect.

In the convertible bond sector, Japanese names in particular were hit by worries about oil shipments from Iran. The 6¼ per cent Daiei convertible bond to 1994, for instance, fell 1⅞ points to 93¼.

Floating rate note offerings encountered a certain amount *of resistance. Some dealers* argue that the volume of new *FRN paper on offer—some* $125—is too great for the *market in its current state.* Institutions seem to be dragging their feet and subscribing towards the end of the offering period. With interest rates so volatile it is becoming difficult to guess what initial coupons will be. Some institutions simply pick up the paper at a large discount after the offering period has closed and before the coupon is fixed for the first time.

However, *the last issue to* reach the market, the $25m bond *for the Co-operative Bank* was quoted at 98¼-95¾ by the lead manager. *London and Continental Bankers.*

Meanwhile, a $65m floating rate for Union de Banques Arabes et Francaises is expected through Credit Lyonnais *some time next week.*

A 12-year issue of 25m units of account is being arranged for the Mortgage Bank of *Denmark* through Kredietbank Luembourgeoise. The indicated coupon on this issue is 9 per cent. The same bank is *arranging a LuxFr 500m eight*-year issue for Volvo, which is expected to carry a coupon set between 9¼-9¾ per cent.

Confident outlook at Occidental

NEW YORK — Occidental Petroleum expects another "excellent" performance in the fourth quarter of 1979, according to Mr. Armand Hammer, its chairman.

He gave no specific projection for the quarter, but noted yesterday that a Wall Street brokerage firm recently raised its estimate for the company to $6.50 a share, fully diluted, for the year. Some estimates had been as high as $7 a share diluted, he said.

Occidental had net income for the nine months of $4.35 a primary share, compared with a loss equal to 60 cents a share a year ago. The 1978 loss included a charge of $122.1m from the write-down of its refinery investment in Britain and Belgium.

Mr. John Dorgan, the financial vice-president, said that the company plans significantly to increase its spending on oil and gas exploration. Capital spending for the oil and gas division is to climb to between $560m and $600m in 1980 in a total budget of $1.10bn.

This year's budget of $1bn compared with 1978's $821m, and included $450m for oil and gas, $350m for chemicals and $150m for coal operations.

Mr. Dorgan said that a significant part of the rising proportion of oil and gas expenditure would be for exploration. He said that $90m has been set aside for exploration in 1979, another $130m for 1980 and $160m for 1981.

Mr. Dorgan noted that Occidental had recently acquired leases in Pakistan and Oman, and is seeking leases in Trinidad and Argentina. It is "involved" in China, he said.

Mr. Zoltan Merszei, the company president, estimated that Occidental's sales this year will total $9bn, up from $6.3bn last year.

Overall, he was convinced that Occidental would continue to do well in the oil business in 1980, and thereafter better, but was less optimistic about Occidental's chemical business, which showed a third quarter profit decline to $1.2m from $7.1m.

Reuter

Gloomy picture at Grumman

BY OUR FINANCIAL STAFF

EARNINGS HAVE recovered sharply in the third quarter at Grumman Corporation, the leading supplier of aircraft to the U.S. Navy, but at the nine month stage the profits total remains depressed. A "significant decline" in earnings for the full year from last year's $2.66 a share has previously been forecast.

Third quarter net is 21 per cent ahead at $5.7m, with share earnings at 60 cents against 57 cents. Sales have edged forward from $339.1m to $351.7m.

Earnings for the previous period would have been $3.3m *or 41 cents after allowing for a* loss of $467,000 on discontinued *operations and of $877,000 on* their disposal, said the company.

The nine month earnings total shows a fall of 30 per cent at $12.5m, *with share earnings* down from $2.19 to $1.40. The comparable period would show earnings of $16m after allowing for losses of $1m on discontinued operations and of $877,000 on their disposal. Sales for the nine months are level pegging at $1.1bn.

Backlog at September 30 was $2.5bn compared with $2bn *which includes $837m and* $756m in September 1979 and 1978 *respectively for the F-14* programme.

Ashland Oil plans share exchange offer

By Our Financial Staff

ASHLAND OIL plans an exchange offer under which it will buy up to 5m common shares in exchange for new preferred stock and debentures.

Ashland, which is pursuing a strategy of concentrating on building up its refining and marketing operations while divesting most of its oil and gas-producing properties, said that the non-convertible redeemable cumulative preferred stock would have a value of $45 a share and would pay an annual dividend of $4.50 a share.

The non-convertible redeemablesubordinated 25-year debentures would have an exchange rate of $45 principal amount per share.

Ashland said that under the expected terms of the proposed offer it would not be obligated to exchange any shares of com*mon stock for preferred stock* unless a minimum of 500,000 *shares of the new preferred* stock were issued.

The company said that it is presently proposed that the new *isues would be initially redeem*able at any time at Ashland's *option at $45 plus $5 for the* debentuers and $4.50 *for the preferred and later at declining* prices.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market sts. *For further details of these or other bonds see the complete list of Eurobond prices published* the second Monday of each month.

Closing prices on November 7

DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
...s of Australia 10 90	60	85⅞	86⅜	0	+0⅛	12.54
... Howden XW 9⅞ 91	30	76	77¼	0	−0⅛	13.60
...tralian Res. 9⅞ 84	30	91½	91⅞	−0⅛	−0⅛	12.09
...o O/S Cap. 10⅞ 87	40	83¾	84	−0⅛	+0⅛	13.85
...eficial Fin. 9⅞ 87	100	87⅞	88⅛	−0⅛	−0⅛	12.22
...CA 10⅞ 91	150	86⅞	87⅜	−0⅛	−0⅝	12.92
...CA 9⅞ 99	125	80¼	80¾	−0½	−0⅛	12.80
...adian Pacific 9⅞ 89	50	88⅞	89	−0⅛	−0⅛	11.76
...ker Hawley 9⅞ 88	50	88⅛	88⅝	−0⅛	−0⅛	12.35
...malco Inv. E. 10⅞ 91	40	88⅛	88⅝	−0⅛	−0⅛	12.14
...tinental Grp. 9⅞ 88	100	88⅞	89⅜	−0⅛	−0⅛	12.13
...ne Petroleum 10 84	50	86⅞	87⅜	0	−0⅛	11.90
...minion Bridge 10⅞ 84	30	91⅛	91⅞	−0⅛	−0⅛	12.72
...v Chem. O/S 9⅞ 94	200	88⅝	89⅛	−0⅛	0	[illegible]
... 9⅞ 87	150	90⅝	91⅛	−0⅛	+0⅛	12.07
... 10 89	150	88⅛	88⅞	−0½	−0⅛	11.90
... 10⅞ 87	100	91⅞	92⅛	+0⅛	+0⅛	12.06
... 10.15 88	100	89⅞	90⅜	−0⅛	−0⅛	11.77
...ort Dv. Cpn. 9⅞ 84	100	90⅞	91⅛	−0⅛	−0⅛	12.06
...ort Dv. Cpn. 9⅞ 84	150	91½	92⅛	−0⅛	+0⅛	11.48
...land 9⅞ 89	100	88⅛	88⅝	−0⅛	−0⅛	12.17
...land 9⅞ 89	100	88⅛	88⅝	−0⅛	−0⅛	12.36
...E Finance 9½ 84	50	89⅞	89⅞	−0⅛	0	12.73
...E Finance 9⅞ 89	55	86⅞	86⅞	−0⅛	−0⅛	12.28
...neral Motors 9⅞ 89	100	88⅛	89⅛	−0⅛	−0⅛	11.83
...uld Int. Fin. 9⅞ 85	50	90	90½	−0⅛	0	12.32
...dson Bay Co. 10 84	50	88	88½	−0⅛	−0⅛	11.72
... Antilles 9½ 89	75	86⅛	86⅝	−0⅛	−0⅛	11.95
...nnecott Int. 9½ 88	100	86⅛	86⅝	−0⅛	−0⅛	12.79
...nitoba 9½ 89	75	87	87½	−0⅛	−0⅛	11.80
...chelin 10 94	125	87½	88	−0⅛	−0⅛	11.77
...c. Des. Telecm. 9⅞ 86	100	89	89½	−0⅛	−0⅛	11.91
...w Brunswick 9⅞ 84	75	85⅞	86⅛	−0⅛	−0½	11.83
...wfoundland 10 94	50	87⅞	88⅛	+0⅛	0	11.75
...rges Komm. 9⅞ 99	100	89⅛	89⅞	+0⅛	+0⅛	11.64
...rway 9½ 84	150	91½	92⅛	−0⅛	−0⅛	11.36
...va Scotia Pwr. 9⅞ 89	50	87⅞	87⅞	−0⅛	−0⅛	11.97
...cidental Fin. 10⅞ 84	50	90⅛	90⅝	0	0	13.14
...ent Leasing 9½ 86	25	87½	88	−0⅛	−0⅛	12.27
...nwalt O/S F. 9⅞ 84	25	90½	91	0	−0⅛	12.49
...alco Cap. 9⅞ 84	100	91⅜	91⅞	−0⅛	−0⅛	11.80
...ebec Hydro 10 99	75	88	88½	−0⅛	−0⅛	11.52
...ars Roebuck 8 82	150	92⅞	93⅜	−0⅛	−0⅛	12.61
...troli 9⅞ 89	100	87⅛	87⅝	−0½	−0½	11.61
...eden 9⅞ 89	100	88⅛	88⅝	−0⅛	−0⅛	11.80
...eden 9½ 86	200	90⅛	90⅝	+0⅛	+0⅝	12.00
...eden 9⅞ 84	100	92	92½	−0⅛	−0⅛	11.95
...ilever NV 9⅞ 87	100	87⅜	87⅞	−0⅛	0	11.76
...arner-Lambert 9 84	100	90½	90⅞	−0⅛	−0⅛	11.77

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
...gentina 7½ 89	150	92⅞	93½	−0½	−1	8.58
...ian Dev. Bk. 7¼ 89	100	92⅛	92⅞	−0⅛	−0½	8.38
...nco Desarrollo 7⅞ 89	100	93⅛	93⅞	+0⅛	+0⅞	8.61
...rclays O'seas 6⅞ 89	100	92⅛	92⅝	−0⅛	−0⅛	7.81
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Nordic I. Bk. 9 84 SDR	20	95	95½	0	−0½	10.38
Avco Fin. 10⅞ 86 CS	25	[illegible]	88½	0	+0⅛	12.99
Bell Canada 10⅞ 88 CS	60	92	92½	−0⅛	0	12.48
Cr. Foncier 10⅞ 84 CS	30	89½	90	0	0	13.39
Ex. Dev. Cpn. 10 84 CS	50	92	92½	0	0	12.28
Fx. Can. Inv. 10 84 CS	50	91	91½	0	0	12.61
Hudson Bay 10⅞ 89 CS	60	89⅛	90⅛	−0⅛	−0⅛	12.35
Quebec 10⅞ 86 CS	50	89½	90⅛	0	+0⅛	12.83
R. Bk. Canada 10 86 CS	40	89⅛	89⅝	0	−0⅛	12.44
R. Bk. Canada 10 94 CS	40	83⅞	84⅛	+0⅛	+0⅛	12.43
Copenhagen 8⅞ 91 EUA	25	97	98½	0	+0⅛	8.57
Copenhagen 8⅞ 91 EUA	20	102½	103½	−0⅛	−0⅛	8.34
SOFTE 8⅞ 89 EUA	40	92	93½	0	−0⅛	9.45
Algemene Bk. 8⅞ 84 Fl	75	96⅛	97½	−0⅛	+0⅛	9.03
Amev 8½ 86 Fl	75	96⅛	97½	−0⅛	+0⅛	9.10
EIB 9 94 Fl	150	98½	99	−0⅛	0	9.15
Ned. Middbk. 8⅞ 84 Fl	75	96⅞	96½	−0⅛	−0⅛	9.34
Norway 8¾ 84 Fl	100	96⅞	97½	−0⅛	−0⅛	9.09
Norway 8¾ 84 Fl	100	96⅞	97½	−0⅛	+0⅛	9.03
Air France 11 84 FFr	120	98⅛	99⅛	−0⅛	−1	11.33
Euratom 9⅞ 87 FFr	150	86⅛	87½	−0⅛	−3⅛	12.60
Finland 11 84 FFr	60	96⅞	97⅛	−0⅛	−0⅛	11.86
Finland 11½ 89 FFr	70	95½	96½	0	−0⅛	12.21
Gaz de France 11 84 FFr	150	96⅞	97½	−0⅛	−0⅛	11.76
Norway 9⅞ 84 FFr	200	89½	90⅛	−1⅛	−2⅛	12.60
PSA Peugeot 9¼ 87 FFr	175	85⅞	86⅛	−1⅛	−1⅛	12.75
Renault 9⅞ 85 FFr	100	[illegible]	88½	−0⅛	−3⅛	12.55
Saint-Gobain 9⅞ 86 FFr	130	86⅞	87½	−0⅛	−1⅛	12.67
Solvay et Cie 9⅞ 87 FFr	125	86⅛	87½	−1⅞	−2⅛	12.59
Total Oil 9⅞ 87 FFr	150	84⅛	85½	−0⅛	−2⅞	12.68
Citicorp 10 93 £	20	84⅛	84⅞	−0⅛	−0⅛	12.41
EIB 9⅞ 88 £	25	78⅛	80	−0½	−2⅛	14.04
EIB 11½ 91 £	25	86⅞	87⅞	−0⅛	−1⅛	13.73
Finance for Ind. 13 91 £	15	93½	93⅞	−0⅛	−1⅛	14.15
Fin. for Ind. 12½ 89 £	30	91⅛	91⅝	−0⅛	−1⅛	14.16
Gen. Elec. Co. 12½ 89 £	60	91½	92	−0⅛	−1⅛	14.13
Indonesia 8⅞ 91 KD	7	†94½	95	0	0	9.50
Mitsubishi 7½ 84 KD	10	†95⅛	95⅞	0	0	8.68
Norges Kom. 7½ 89 KD	12	†93⅛	93⅞	0	0	8.51
Occidental 8⅞ 91 KD	7	†92⅛	92⅞	0	0	9.31
Akzo 9⅞ 87 LuxFr	500	†93	94	0	−3⅛	10.49
Euratom 8 87 LuxFr	500	90½	91⅛	+0⅛	+0⅛	9.67
Norges Kom. 8 88 LuxFr	500	89½	90½	+1⅛	−0⅛	10.01
Oslo, City of 8 88 LuxFr	600	89½	90⅛	−0⅛	+0⅛	9.69

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Banco di Roma Int. 6 87	0⅞	98	99½	26/4	15⅛	15.87
Bco. Nac. Argent. 7 88	0⅞	96	96½	22/3	13.19	13.70
Banco Prov. BA 7⅞ 86	0⅞	97⅛	97⅞	12/12	11	11.28
Banco Urquijo 6 88	0⅞	97⅛	97⅞	21/3	13⅛	13.74
Bque. Indo Suez 5⅞ 89	0⅞	97⅞	98½	11/1	11	11.24
BNP 5½ 91	0⅞	96⅞	97⅛	22/2	11.94	12.32
Citicorp O/S Fin. 6 94	‡0⅞	98½	99⅛	8/12	12.81	12.92
Citicorp O/S 83	‡0	99½	99½	23/11	11.88	11.94
Creditanstalt 5½ 91	‡0⅞	97⅛	98½	14/12	12.94	13.20
CNT 5⅞ 88	0⅞	99	99½	16/4	15.19	15.30
GZB 5½ 89	‡0⅞	98½	99	1/11	11.44	11.58
Jugobanka 8 89	0⅞	94⅞	95⅛	23/11	11⅞	12.47
LTCB Japan 5½ 89	0⅞	98⅛	98⅞	7/12	11⅛	11.31
Mfrs. Han. O/S 5⅞ 94	‡0⅞	[illegible]	99½	23/11	12.56	12.66
Nacional Fin. 6⅞ 88	0⅞	[illegible]	99½	25/1	11⅞	11.92
Nat. West. 5⅞ 94	0⅞	97½	97⅞	11/1	14.94	15.32
Nippon Cred. Bk. 6⅞ 88	0⅞	96½	97	12/1	10⅞	11.24
Royal Bank Scot. 5⅞ 94	‡0⅞	[illegible]	[illegible]	11/1	14.84	15.11
Soc. C. de Bque. 6½ 87	0⅞	96½	97½	3/4	13⅛	13.58
Sogenal 5⅞ 89	0⅞	96½	96⅞	11/1	10.81	11.22
Sweden 8½ 91	‡0⅞	97½	97½	18/1	15	15.40
Texas Int. Airways 7 86	‡0⅞	95	96½	11/1	15.56	16.24
TVO Pwr. 9 91 (D-lock)	0⅞	96½	97½	23/11	11⅛	11.45
Utd. Overseas Bk. 6 89	‡0⅞	97	97½	29/12	12.94	13.37
Williams & Glyn 5⅞ 91	0⅞	96⅞	97⅛	14/3	13.38	13.77
Bq. E. d'Alg. 4⅞ 89 SF	0⅞	95	96	18/12	4⅞	4.45

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
AGA Akt'bolag 7⅞ 89	10/79	145	91	92	−0⅛	−3.06
Alco Int. Fin. 9½ 94	1/80	40	91½	92½	−0⅛	19.03
Asahi Opncal 7 94	11/79	635	84½	85½	+0⅛	4.69
Canon 6⅞ 94	8/79	570	93	94	−2⅛	−0.39
Ciba-Geigy O/S F. 4 94	9/79	675	90	91	−0⅛	0.60
Credit Suisse 4⅞ 93	10/79	1325	102⅞	104½	+0⅛	−0.25
Daiei Inc. 6½ 94	11/79	1020	93½	94½	−1⅞	8.37
Esselte 7⅞ 89	9/79	153	93½	95	0	4.57
Honda Motor 5½ 89	5/79	532	92	93	+0⅛	[illegible]
LPC Internatnl. 8 89	9/79	35	91	92	+0⅛	14.38
Meidensha Elec. 7 94	12/79	210	92½	93½	−0⅛	30.63
Mitsubishi Cp. 6½ 94	10/79	604	145½	148	−1½	[illegible]
Nippon Seiko 7⅞ 94	12/79	339	†91	92	+0½	7.31
Nitto Elec. Ind. 6 94	7/79	736	77½	78½	−1⅛	6.87
Toshiba Cpn. 7⅞ 94	10/79	193	93½	95½	+0⅛	19.89
Union Bk. Switz. 5 89	2/80	125	103⅞	105⅛	−0⅛	2.85
Fujitsu 5 84 DM	7/79	575	86½	87½	0	25.93
Kansai Elec. 4 84 DM	4/79	1350	85½	89⅛	−0⅛	69.39
Tokyo Elec. 3½ 87 DM	4/79	475	95⅛	96⅛	0	110.42
Tokyu Ld. Cp. 4 85 DM	4/79	852	77½	78½	−0⅛	45.76
Uny Co. 6½ 85 DM	11/79	1071	95⅛	96⅛	−0⅛	[illegible]

* No information available—previous day's price.

† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price: the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate (‡ three-month; § above mean rate) for U.S. dollars. C.cpn=The current coupon. C.yld=The current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

INTERNATIONAL LENDING TERMS

Bankers see light at end of tunnel

BY JOHN EVANS

THE INTERNATIONAL market in syndicated loans—worth $70bn a year—is nowadayys preoccupied by a central question which tends to dominate most discussions on the direction in which the market is heading. Are the terms of this business at long last moving in favour of the lending banks?

The majority of international banks claim that they are. The watershed for the market, they assert, was the unprecedented tightening of credit conditions *in the U.S. last month.*

That action, combined with the official Tokyo curbs on the Euromarket loans activity of the Japanese banking community, should ensure that the period of cut-throat competition among banks is coming to an end, they claim. In addition, the *international* economic stresses looming from price increases by the Organisation of Petroleum Exporting Countries and recessionary trends in the industrial economies should help stabilise borrowing terms, the banks say.

So in the view of bankers the ability of borrowing nations in the Euromarkets to dictate their own terms to the banks is being quickly eroded, and borrowers will no longer be able to argue for constantly lower loan margins and lengthened maturities.

The problem remains, however, that the Euromarkets themselves are still giving out conflicting signals, once it *comes to actual evidence of this* fundamental shift in conditions.

It is true that a major chunk of the Euromarkets' capacity to absorb would disappear *if* the Japanese banks' participation in new syndicated loans was barred by the *Ministry of* Finance (MoF), as claimed in some circles.

Senior Japanese bankers certainly confirm that there is a "tightening" underway from the Ministry, but most are still unclear as to its extent. These bankers feel that to talk about a complete ban on loan participation is excessive.

Lesser Japanese banks could well find it difficult to get permission to participate in loans, where the MoF already believes there is too large a Japanese loan exposure. The MoF is also insisting on prior consultations for participation by any Japanese bank at home or abroad.

In the case of the $1bn loan for Brazil, now being assembled *to support* the country's alcohol fuel project, the Japanese banks' underwriting commitment has been limited to $125m.

This is substantially lower than the 25 per cent maximum *participation allowed for* Japanese banks in any loan, if they act as co-managers.

The MOF in Tokyo has acted to impose these new restraints following a sharp climb in overseas lending by its banks in recent months. Such lending was rising at a monthly rate of $2.5bn in the July-September quarter. The MOF is now believed to be aiming for an approximate halving of this figure.

The restriction on the Brazilian loan, however, has not harmed the performance of that credit. It has been oversubscribed at the $1bn level, leaving the likelihood that it will be increased to the maximum $1.2bn which Brazil has indicated that it wants *from* the market to support its "gasohol" project.

Some bankers suggest that the fact that Brazil, with its $50bn or so of foreign debt, can still obtain such vast sums overseas with relative ease tends to undermine the argument that terms are starting to harden.

Belgium this week confirmed that its own $1bn Euromarket borowing will carry margins of only ⅝ and ½ percentage points over Eurodollar interbank rates—the sort of favourable terms which banks have long been complaining have been eroding profitability on syndicated loans down to "dangerous levels."

Sweden is now to tap the Euromarkets on the same margins, and for a *10-year* maturity, for an $800m loan. *This financing occurs against a* background of a movement of *short-term capital out of* Sweden and declining foreign exchange reserves, which forced the Riksbank to raise its discount rate from 8 per cent in September.

Britain itself has just provided a startling example how far margins on bank Eurocredits can be squeezed. *British* Airways raised a $100m floating rate note in the Eurobond markets at a spread of just ⅛ percentage *points over* interbank rates, a financing which has been described as a syndicated loan masquerading as a note issue in order to give the borrower the best terms.

Despite such continued examples of downward pressure on loan terms, the market can point to signs of resistance.

For example, an American bank's current attempt to syndicate $200m for the Romanian Foreign Trade Bank, at a margin of ½ per cent, has received a very *slow response* from the market, leading to *speculation* that terms may have been adjusted.

In addition, Mexico, one of this year's most aggressive borrowers, is finding few takers for a credit for the Comision Federal de Electricidad, the state utility. Original plans to raise up to $600m for this borrower will probably have to be shelved, as only $400m has been underwritten so far.

Argentina is also reported to *be* rethinking its borrowing strategy. Bankers report that a $250m loan for the Argentine Republic will carry a maturity of up to seven years, instead of the 10 years originally planned.

SUEZ FINANCE

A driving force in French industry

BY TERRY DODSWORTH IN PARIS

THE SUEZ group, in which the British Government yesterday sold its 7.67 per cent stake for FFr 193m ($46m), started life in the colonies, like many of Europe's great financial institutions. It was a typically 19th century creation, brought into being by an engineering entrepreneur (Ferdinand le Lesseps) who managed to win the friendship of the Egyptian Khedive and with it the *right* to run a canal through the Suez *isthmus and exploit* it for 99 years.

From then, on the history of the company was relatively peaceful for almost 100 years. Suez flourished under the British protectorate in Egypt, and management remained mainly in French hands, despite an early participation *taken* by the British Government.

But by the time of World War II it was clear that the character of the group would have to change. Egyptianisation began, to be followed by full-blooded nationalisation in 1956 when Colonel Nasser arrived in power. Cut off *abruptly* from its roots, Suez then set about speeding up the diversification process which it had already begun.

Today, its activities break down thus:

1. On te financial *side, it owns* Banque de l'Indochine et de Suez, a group with extensive interests in the Middle East which *is now* rebuilding in the Far East what it lost in the decolonisation of Indo China. Compagnie Financière de Suez also has a majority stake in Crédit Industriel et Commercial, one of France's largest non-nationalised banks.

2. In industry, Suez's main interest is in Saint-Gobain-Pont-à-Mousson, the major conglomerate which is a leading *world producer of glass* and pipe, and has recently bought *into the computer industry* through a shareholding in CII-Honeywell Bull.

Other significant industrial holdings include a stake in Ferodo, the motor components group, and investments in Alsthom-Atlantique, the shipbuilding and electrical engineering group controlled by CGE, and Beghin-Say, the leading sugar refiner and paper manufacturer. In addition to these industrial investments, Suez controls Compagnie la Henin, the second largest French private company.

3. The third arm of its activities lies in portfolio investments. Here again, Suez has followed a *policy of spreading its risk,* with some 40 per cent of its holdings placed in French securities and 31 per cent in the U.S.

These investments, which earned Suez profits of FFr 169m ($39m) last year), have clearly carried it a long way beyond its foundations. Butin a curious way, *the group has retained* something of the atmosphere of 19th century merchant adventuring which helped it on its way.

Italian chemical company rescue to cost $1.2bn

BY OUR FINANCIAL STAFF

THREE state-owned Italian banks are to receive some L283bn ($340m) in government *funds to enable them to take* part in the rescue of Societa Italiana Resine (SIR), one of the country's major chemical groups. *The overall cost of the* salvage operation is estimated at L1,000bn ($1.2bn).

The Senate yesterday passed into law a measure appropriating the funds for raising the capital of the three banks, Banco di Napoli, Banco di Sicilia and Credito Industriale *Sardo* (CIS).

Banco di Napoli is to receive L100bn this year and a further L7bn next year, Banco di Sicilia *will get L50bn* this year and L23bn next and CIS L100bn and *a further L3bn.*

All three are members of a consortium of SIR's major creditors which was set up to help the group. The consortium accounts for about 90 per cent of SIR's total indebtedness

After the completion of the rescue operation, the consortium will take over *all SIR's* plants and so far uncompleted *investments.*

Slower growth in Irish credit

BY BRENDAN KEENAN IN DUBLIN

BANKING activity in Ireland is slowing, says the Bank of Ireland. Advances by the bank rose by 42 per cent in the six months ended September but this *performance* "conceals a decreasing momentum."

Earlier demand for loans pushed the bank outside the central bank guidelines on credit but this situation has now been reversed. The increase in lending over the whole of this year *should not be out of* line with official policy, the bank says.

On Tuesday the bank reported a rise in profits before tax for the six months of 12½ per cent to IR£23.4m. When compared to the preceeding six months, profits are actually 10 per cent lower: on the same basis the bank's advances rose by just 20 per cent.

Mr. Ian Morrison, chief executive of the bank, described the profit figures as "marginally inadequate." He said the bank had had to borrow substantially from the central bank as a result of the tight credit guidelines, and that this hampered profit *growth. However, the bank was* currently within the 18 per cent limit on credit expansion.

Mr. Morrison saw no prospect for an easing of credit over the next 15 months, until the Irish economy had more fully adjusted *to the impact of the break with sterling and membership* of the EMS.

It was also revealed that Irish banks are now carrying an increasing share of the risk of bank robberies. These have become so common in the Irish Republic that insurance companies are demanding that the banks themselves have a greater excess as well as paying increased premiums.

Gotaas-Larsen to be listed in Europe

By Terry Byland

A LONDON listing is contemplated for shares in the Gotaas-Larsen Shipping Corporation, which *is being sold* to shareholders of its present parent company, IU International. Mr. John Seabrook, the chairman of *IU, said in London yesterday* that such a listing was likely within six months.

Subject to shareholder approval on November 27, one new Larsen share will be distributed for every three IU shares currently held. The Larsen shares are expected to be traded on the over the counter markets in the U.S. and Mr. Seabrook believes that the shares will move towards *Europe in view of Larsen's* links with Scandinavia and the UK.

The new shipping company *will be* Liberian registered, with its corporate base in Bermuda. But its operating base will be in London, where offices have already been opened.

Mr. Seabrook said that exploratory discussions have already been held with the London Stock Exchange with a view to *a future share listing.*

Pressure on margins at German optical company

BY GUY HAWTIN IN FRANKFURT

THE WEST GERMAN optical instrument and camera manufacturer, Carl Zeiss (Oberkochen/Wuerttemberg), is not very optimistic about business in the coming months. The main problem is uncertainty about *the way in which the world* economy will develop.

This is in contrast to the highly-export oriented group's performance during the 1978/79 busines year, which ended on September 30. Business progress was generally positive, said a preliminary report on the year, *published yesterday.*

Strong demand both at home and abroad brought the group's order book to a high level. Sales rose during the 12 months by 6.4 per cent against the previous year's performance to DM 641m ($358.1m). The *inflow of orders exceeded sales* by 17 per cent.

Fully-consolidated performances of all the group's subsidiaries took total sales beyond the DM 1bn mark for the second year in a row. Of this, exports accounted for 48 per cent.

Downturn for Sanofi

PARIS—*Sanofi, the holding* company which heads the pharmaceautical division of the Elf-Aquitaine oil group, reports a decline in net consolidated profit for the first six months of this year. Earnings are FFr 61.3m ($14.6m), down from FFr 89.9m a year before.

Societe Parcor, a drug-manufacturing affiliate of Sanofi, *posted net profits of FFr 23.61m up from* FFr 16.99m. The company said it had incurred a foreign exchange loss of FFr 1.8m during the half year, against a profit of FFr 1.1m.

Parcor has recently signed an *agreement with the U.S. pharmaceutical* company, Syntex Corp, under which Syntex will have an option to assist in the development, and eventually to market, Parcor's anti-coagulant Ticlopidine.

● France's post office, PTT, plans to issue a FFr 900m bond on the Paris capital market. The issue carries an 11.70 per cent coupon and will have a life of 15 years.

Agencies

Swiss holding companies hit

By John Wicks in Zurich

HOLDING COMPANIES in Switzerland are faced with increasing difficulties, says the Association of Swiss Holding and Finance Companies in its annual report.

Underlining the detrimental effect of recent Swiss fiscal policy, the association says that holding company numbers have been further reduced. Last year they fell by around an eighth.

The association attributes the decline to the fact that Switzerland has become less attractive as a holding-company base. This is due not only to monetary restrictions in capital and *payment movements between* Switzerland and other countries, but also to the increased fiscal burden to which Swiss holding companies are exposed.

IHI foresees shipbuilding upturn after first-half loss

BY RICHARD C. HANSON IN TOKYO

PAN'S SECOND largest vy machinery maker, and -builder, Ishikawajima-ima Heavy Industries (IHI), erday reported a drop in s and a net loss for the tember 30 half-year, but is tiously predicting that this r will mark the bottom of the onged slump in ship-ding.

II had a net loss of Y4.38bn 3.4m) compared with the r ago net profit of Y1.63bn. s fell by 4.8 per cent to 1.78bn ($1.3bn). The poor formance is attributed nly to losses on ship and it orders received some two s ago which were met during the period at below production costs.

New orders received in the six months increased considerably from Y345.9bn to Y428.88bn. There was a healthy rise in orders from electric power companies, but ship orders were at a lower level than new orders received a year ago.

During the half-year large orders were received for desalination plants from Saudi Arabia and a Yemeni cement plant, but the total for new export orders fell.

Sales for the full year are expected to be about 3.6 per cent down from last year to Y680bn, and the company will again incur a substantial operating loss. Net profit will be kept at last year's level of nearly Y2bn through the sale of certain properties in the Tokyo area. The operating loss will result from continued sales of ships and plants below cost.

Ship orders may begin to pick up from the next fiscal year. IHI believes that the depreciation of the yen has restored some of its competitive strength, particularly against other new industrial nations like South Korea where inflation has eroded considerably the ability to win orders.

Fuji Heavy Industries ahead

BY OUR TOKYO CORRESPONDENT

JI HEAVY INDUSTRIES, an anding manufacturer of ll cars and mini cars, yeslay reported a 44 per cent in net profit to Y2.74bn 1.5m) on a sales gain of 10.2 cent to Y180.4bn ($757m) the half year ended tember 30.

uji has been marketing cessfully overseas, particuy in the U.S., minicars 0cc) and other small-size vehicles (the Subaru and Leone models). Exports, which were helped by the Yen's depreciation, were up 14 per cent to Y68.31bn, or 37.8 per cent of all sales. Exports of engines and other motor related products were up 14 per cent. More than three quarters of the company's sales are motor related products or motor vehicles. The company has increased its mini car capacity from last month and expects to boost unit shipments to the U.S. with its 1980 models. The U.S. takes about 70 per cent of its exports.

Fuji had a foreign exchange profit of Y1.5bn during the half, after a loss last year when the Yen appreciated sharply, and was able to add another Y3.1bn to operating profits through rationalisation and cost cutting measures.

For the full year, the company projects a sales gain of 16 per cent to Y380bn and net profit is expected to be up 28.3 per cent to Y6bn.

Jump in earnings at Sekisui Chemical

By Yoko Shibata in Tokyo

SEKISUI CHEMICAL, Japan's top processor of synthetic resins and prefabricated houses, reported operating and net profits for the first half of its fiscal year helped by a recovery in the market price of chemical products and booming sales of prefabricated houses.

Sekisui's operating profits for the six months to September jumped by 180.7 per cent to Y4.08bn ($17.1m) and net profits reached Y1.84bn, up 184.7 per cent. Sales at Y139.48bn ($585m) were up 26.6 per cent on the year. Profits per share were Y9.58, compared with Y3.5 a year ago.

Favourable sales of prefabricated houses (up 24 per cent to account for 35.6 per cent of the total sales) and vinyl chloride tubes (up 29 per cent to account for 19 per cent) produced most of the sales improvement.

The upsurge in earnings was attributed chiefly to mass production. Price mark-ups on chemical products supported by a tight market, and a production increase of high value-added products (housing) also helped profits despite rises in the cost of vinyl chloride tubes and mould products.

For the latter half of the fiscal year, the company expects a continuing strong demand for chemical products and a lull in cost rises.

For the full fiscal year ending next March, Sekisui expects its operating profits to rise to a record Y9bn, up 74.6 per cent. Net profits should also reach a record Y3.5bn, up 172 per cent and sales of Y295bn, up 25 per cent over the previous fiscal year are forecast.

Alcoa raises $510m to finance Australian smelter

BY JAMES FORTH IN SYDNEY

ALCOA of Australia, the aluminium group, is to raise U.S.$510m in loan capital to fund its expansion programme. Alcoa has negotiated two credit facilities with a number of Australian and international banks to cover the borrowing. The funding is in addition to the U.S.$60m Eurobond issued by the group in June, and completes the borrowing programme for the planned aluminium refinery in Western Australia, an aluminium smelter in Victoria, and extensions to its existing smelter, also in Victoria.

The total cost of the expansion is U.S.$825m, and Alcoa will obtain the remainder from internally generated funds. The credit facilities are in U.S. dollars and will be obtained through Swanal, a company owned by the principal shareholders of Alcoa of Australia, the offshoot of Alcoa, of the U.S. One facility is for U.S.$400m and will be provided by: Bank of America, Bank of Nova Scotia, Bankers Trust, Canadian Imperial Bank of Commerce, Chase Manhattan, Chemical Bank, Citibank NA, Continental Illinois, National Bank and Trust Company, Manufacturers Hanover, Mellon Bank NA, Morgan Guaranty Trust Company, Swiss Bank Corporation (International), Toronto Dominion Bank and Wells Fargo Bank.

The second facility, for up to U.S.$110m will be provided by: Australia and New Zealand Banking Group, Australian Resources Development Bank, Barclays Bank International, Commercial Bank of Australia, Commercial Banking Company of Sydney, Commonwealth Trading Bank of Australia, Hambros Bank, J. Henry Schroder Wagg and Company, Lloyds Bank International, Midland and International Banks, Midland Bank; National Bank of Australasia and the National Westminster Bank Group (funds provided by International Westminster Bank).

Funding at H. C. Sleigh

BY OUR SYDNEY CORRESPONDENT

H. C. SLEIGH, the diversified petroleum and coal group, plans to raise A$6.84m (U.S.$7.5m) through a private placement of 7.6m shares at 90 cents each. Mr. Peter Sleigh, the chairman and chief executive, told shareholders yesterday at the annual meeting in Melbourne that it was also proposed to make a renounceable rights issue to shareholders on "favourable terms" after the group's current reconstruction was accomplished.

Sleigh shares dropped 12 cents to A$1.00 yesterday after the announcement of the placement and the foreshadowed rights issue. Mr. Sleigh said the purpose of the placement was to raise additional funds on attractive terms for the company's capital programme including the Warkworth coal joint venture in New South Wales.

Mr. Sleigh said talks were continuing with several potential purchasers of Warkworth coking coal and that the possibility of Japanese steel mills acquiring an equity was still under consideration.

AUSTRALIAN FINANCE HOUSES

Competition alters profit picture

BY OUR SYDNEY CORRESPONDENT

ENSE COMPETITION lowd the growth rate of two or bank-backed finance comles, Esanda and Custom dit Corporation, in the year eptember 30. Sanda, owned the ANZ banking group, d profit by 11.8 per cent to 6.3m (U.S.$31m), while tom Credit, owned by the ional Bank of Australasia, ed earnings by 11.3 per cent $20.1m (U.S.$22m).

e gains lagged behind that he industry leader, Austra- Guarantee Corporation, 76 cent owned by the largest he Australian trading banks, Bank of New South Wales, ch last month reported a 20 cent profit rise to a record 3.4m (U.S.$58.6m). Esanda d revenue by 10 per cent, Custom Credit managed a of only 5.4 per cent. The ectors of Esanda said that ling conditions during the r were difficult with intense petition for new business, ticularly in leasing. This reted in strong downward ssure on lending rates. The rent outlook did not indicate marked uplift in the level demand for consumer finance ing the period to September 1980 and only modest growth was expected for 1979-80.

The directors of Custom Credit also referred to strong competitive pressures and a continuance of subdued consumer demand in the consumer area. Esanda's net outstandings at September 30 were A$1.4bn, an increase of 17.3 per cent, with leasing again the principal growth area. Custom Credit reported a 16.6 per cent gain in gross receivables at A$1.4bn.

One of the smaller financiers, Lombard Australia, owned by National Westminster Bank of the UK, outperformed its larger competitors, more than doubling profit from A$1.33m to A$3.08m (U.S.$3.4m) in the year to September 30. The directors said the group's total borrowings rose by 7.4 per cent, but the growth in money costs was contained at 5.9 per cent. As in recent years, Lombard's results were affected by the level of real estate loans. Earnings had to contend with loans of almost A$17m not earning interest at September 30.

Good start for Boral

BY OUR SYDNEY CORRESPONDENT

Boral, the Australian building products group, had started the financial year with sales and profits in every division in the first six months well ahead of those for the same period last year, and ahead of the budgeted figures, Mr. P. H. Finley, the chairman, told shareholders at the annual meeting in Sydney.

Given a continuation of the improved trading conditions, the company expected to maintain this improvement throughout the year.

Boral had recently purchased a large quarry in Melbourne, near its existing Montrose operation, the directors said, and the combined quarrying operation would be one of the largest in Melbourne—putting Boral's quarrying operations in Melbourne on a par with those of the industry leader, Pioneer Concrete Services.

Sharp rise for Southern Sun

BY JIM JONES IN JOHANNESBURG

UTHERN SUN, the recently oted South African hotel ain, which is a 69.3 per centned subsidiary of South rican Breweries, has beaten forecasts in the six months September 30, 1979. Pre-tax ofit rose by 96 per cent to .56m ($5.5m), from R2.32m the same period of the preus year. The first half, ich encompasses South rica's winter season, saw gher than expected occupancy es resulting in a 23 per cent turnover advance from R26.3m to R32.4m ($39.1m).

However, a higher tax rate and an increase in profits attributable to minorities, cut the attributable taxed profit increase to 56 per cent, at R3.17m against R1.98m.

Mr. Sol Kerzner the managing director is confident that the group remains set for a period of growth, but he warns that with little spare capacity over the Christmas holiday season, the first half's high rate of growth cannot be repeated during the second half.

However, recent hotel acquisitions in Natal and Johannesburg will make a contribution this year and next year. The Sun City holiday complex due to open in a month's time should contribute to profits.

A 4 cents a share interim dividend has been declared, on first-half earnings per share of 6.1 cents against 3.9 cents. Last year, earinings totalled 15.2 cents, from which dividends of 10.5 cents were paid. In Johannesburg the shares are currently quoted at 230 cents.

Building surge boosts Toncoro

BY OUR JOHANNESBURG CORRESPONDENT

NGAAT COROGROUP ONCORO), South Africa's gest brick manufacturer has ined substantially from the mestic upsurge in building tivity. During the six months September 30, 1979, pre-tax ofit of R7.5m ($9m) has eady beaten the previous ar's R6.3m total and management is taking a positive view second-half results.

In the Johannesburg area, the most buoyant area for building activity, brick making capacity is being increased to 12m a month, while nationally, Toncoro's stocks have fallen to 139m bricks from 189m a year ago.

As yet, the upsurge in building activity has not taken effect across the country. In Natal, the pick-up has been slow, leaving Toncoro with its largest regional stockpile position. But if the rate of increase of new housing starts is maintained, other areas could see substantial lowerings of stocks.

There is a seasonal turnover decline during the second half as the building industry goes on holiday in December, but with first half earnings per share at 17.7 cents, the company has conservatively forecast full-year earnings of 28 cents. An interim dividend of 4 cents has been declared and a final of 6 cents has been forecast by the Board.

Small gain for Argus Printing

BY OUR JOHANNESBURG CORRESPONDENT

RGUS Printing and Publishg, the South African newsper and magazine publishing oup has announced consolited trading profits of 5.24m ($6.3m) for the six onths to August 31, 1979, compared with R5.13m for the same riod of 1978. The advance relatively small compared ith other recently reported rporate profit advances.

Without the 51 per centned CNA Investments, trading profit from newspapers and magazines fell from R4.19m to R3.99m. Argus is faced with the same major problems as other newspaper publishing groups—fast increasing newsprint costs and an escalating transport and distribution bill. However, this was partly offset by a 12 per cent improvement in advertising revenue.

Argus has held the line on newspaper cover price increases for as long as possible, but has now fallen in line with other publishing groups. Though this will offset costs to a degree, management has not altered its previous forecast that group earnings for the ful year will fall below those of the previous period.

From first half earnings per shre of 217 cents, against 218 cents, an unchanged 55 cents interim dividend has been declared. Last year's total was 150 cents.

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Companies and Markets

CURRENCIES, MONEY and GOLD

Pound strong

STERLING continued to improve in currency markets yesterday in active trading. Demand for sterling was prompted by the BP offer due on Friday and high domestic interest rates. There were fluctuations during the day, however, as unconfirmed reports of Iran's intention to cut oil supplies to the U.S. circulated the market. Clarification later in the day by Mr Charles Duncan, U.S. Energy Secretary, that Iran had in fact stopped oil shipments to the U.S., pushed sterling even firmer. Against the dollar sterling opened at \$2.0950 and rose initially to \$2.0970-2.0980 before coming back to a low point for the day of \$2.0790-2.0810. By noon however it had recovered to \$2.0890 and improved further to stand at \$2.0950 by mid-afternoon.

It reached a best level of \$2.1075 before closing at \$2.1055-2.1065, a rise of 3½c from Tuesday. On Bank of England figures, its trade weighted index rose to 67.2 from 66.6, having stood at 67.0 at noon and 67.2 in the morning.

The dollar suffered a fairly sharp reverse on the Iranian decision and took little comfort from Chase Manhattan's decision to increase its prime rate to 15½ per cent from 15¼ per cent. The market has recently been unable to determine any clear trend for the dollar on news affecting oil supplies, for while any reduction in U.S. consumption will ultimately be for the good. U.S. industry could suffer in the short term. Also the effect of higher tariffs on the U.S. balance of payments may be countered to a certain extent by increased demand for the U.S. unit worldwide to pay for oil imports.

Yesterday the dollar fell to DM 1.7860 from DM 1.7970 against the D-mark and to SwFr 1.6330 from SwFr 1.6540 in terms of the Swiss franc. Even the Japanese yen managed a slight recovery, with the dollar finishing at Y240.20 compared with a high for the day of Y240.70. The U.S. unit was however still well above Tuesday's level of Y238.30. On Bank of England figures the dollar's trade weighted index remained at 86.9, although this probably failed to take in the dollar's late deterioration.

Within the EMS the lira remained the most improved currency closely followed by the Danish krone. The Belgian franc was again the weakest currency although it remained comfortably within its maximum permitted divergence.

FRANKFURT—There was no intervention by the Bundesbank yesterday when the dollar was fixed slightly lower at DM 1.7889 compared with DM 1.7939 on Tuesday. Before the fixing the U.S. unit traded within a range of DM 1.7880 and DM 1.7900 in fairly active trading. West Germany's improved trade figures for September played little part in trading as they were much in line with market expectations.

MILAN — The dollar fell aginst the lira to L827.70 compared with L830.45 on Tuesday, as a direct result of uncertainty surrounding the Iranian situation. Of the \$22½m traded at the fixing, the Bank of Italy sold around \$18m. Other currencies were stronger overall against the lira with the pound at L1,727.9 against L1,723.1 and the D-mark rising to L463.19 from L462.82.

TOKYO — The dollar rose to its highest level since February, 1978, against the yen yesterday and finished at Y240.15, sharply firmer than Tuesday's close of Y237.075. Trading was described as hectic with the yen suffering badly on rumours of cutbacks in Iranian oil exports.

THE POUND SPOT AND FORWARD

Nov. 7	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.0790-2.1075	2.1055-2.1065	0.15-0.05c pm	0.57	0.07-0.17dis	[illegible]
Canada	2.4590-2.4920	2.4900-2.4910	0.30-0.20c pm	1.20	0.70-0.60 pm	[illegible]
Nethlnd.	4.13½-4.18½	4.17½-4.18½	2-1c pm	4.31	5½-4½ pm	[illegible]
Belgium	60.10-60.85	60.70-60.80	2c pm-8c dis	−5.92	23-13 pm	[illegible]
Denmark	11.02-11.14	11.12¼-11.13¼	2½-4¾ore dis	−4.04	8½-10½ dis	[illegible]
Ireland	1.0070-1.0135	1.0100-1.0110	0.23-0.33p dis	−3.32	0.65-0.75dis	[illegible]
W. Ger.	3.72½-3.77½	3.76-3.77	2½-1½pf pm	6.37	8½-8½ pm	[illegible]
Portugal	105.00-106.30	106.00-106.30	45-95c dis	−7.90	100-200 dis	[illegible]
Spain	138.70-140.15	140.00-140.10	20-70c dis	−3.85	150-250 dis	[illegible]
Italy	1,724-1,744	1,742½-1,743½	par-2 lire dis	−0.69	5½-7½ dis	[illegible]
Norway	10.45-10.57	10.55½-10.56½	1ore pm-1ore dis	...	3-1ore pm	[illegible]
France	8.73-8.84	8.82½-8.83½	¼c pm-¼c dis	0.34	2½-1½ pm	[illegible]
Sweden	8.82-8.94	8.92½-8.93½	2ore pm-par	1.34	6-4 pm	[illegible]
Japan	495-508	505½-506½	3.70-3.35y pm	8.36	10.05-9.65 pm	[illegible]
Austria	26.75-27.07	27.00-27.05	17-7gro pm	5.33	50-40 pm	[illegible]
Switz.	3.41-3.45	3.43½-3.44½	3½-2½c pm	11.34	10½-8½ pm	[illegible]

Belgian rate is for convertible francs. Financial franc 62.15-62.25c pm. Six-month forward dollar 0.03-0.13c dis, 12-month 0.90-0.80c pm.

THE DOLLAR SPOT AND FORWARD

Nov. 7	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	2.0790-2.1075	2.1055-2.1065	0.15-0.05c pm	0.57	0.07-0.17dis	[illegible]
Ireland†	2.0650-2.0775	2.0725-2.0775	0.80-0.60c pm	4.05	1.25-0.95 pm	[illegible]
Canada	1.1840-1.1843	1.1840-1.1843	0.19-0.15c pm	1.72	0.50-0.46 pm	[illegible]
Nethlnd.	1.9845-1.9910	1.9845-1.9860	0.75-0.65c pm	4.23	2.58-2.48 pm	[illegible]
Belgium	28.85-28.95½	28.85½-28.87	1c pm-½ dis	0.10	11-9 pm	[illegible]
Denmark	5.2780-5.3050	5.2825-5.2850	1.80-2.30ore dis	−4.65	4.0-4.5 dis	[illegible]
W. Ger.	1.7840-1.7970	1.7855-1.7865	0.85-0.75pf pm	5.37	2.95-2.85 pm	[illegible]
Portugal	50.25-50.45	50.25-50.35	13-23c dis	−4.29	30-65 dis	[illegible]
Spain	66.53-66.64	66.53-66.56	30-50c dis	−7.21	105-130 dis	[illegible]
Italy	827.70-829.30	827.90-828.30	0.50-1.0 lire dis	−1.09	2.0-2.5 dis	[illegible]
Norway	5.0140-5.0290	5.0140-5.0150	0.25-1.25ore dis	−1.79	0.75-0.25 pm	[illegible]
France	4.1910-4.2030	4.1910-4.1925	0.30-0.20c pm	0.71	1.30-1.10 pm	[illegible]
Sweden	4.2230-4.2435	4.2385-4.2395	0.60-0.40ore pm	1.41	2.65-2.45 pm	[illegible]
Japan	239.70-240.70	240.15-240.25	1.60-1.45y pm	7.62	4.75-4.60 pm	[illegible]
Austria	12.82½-12.86½	12.82½-12.83½	6.70-6.20c pm	6.03	22.50-21.0 pm	[illegible]
Switz.	1.6290-1.6470	1.6325-1.6335	1.65-1.60c pm	11.94	4.90-4.85 pm	[illegible]

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

CURRENCY RATES

Nov. 6	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	14	0.521227	0.665500
U.S. $	12	1.26830	1.38056
Canadian $	14	1.52512	1.63530
Austria Sch.	3¾	Unavail.	17.7819
Belgian F.	10	37.3545	40.0265
Danish K.	11	6.84067	7.34125
D Mark	6	2.31109	2.47690
Guilder	9½	2.56887	2.75260
French Fr.	9½	5.42342	5.81066
Lira	12	—	1146.36
Yen	6¼	306.229	328.302
Norwgn. Kr.	7	6.47693	6.94846
Spanish Pts.	8	85.8652	92.0156
Swedish Kr.	8	5.46985	5.86125
Swiss Fr.	2	Unavail.	2.27478

CURRENCY MOVEMENTS

Nov. 7	Bank of England Index	Morgan Guaranty changes %
Sterling	67.2	−38.0
U.S. dollar	86.9	−6.3
Canadian dollar	80.2	−17.8
Austrian schilling	156.1	+23.5
Belgian franc	115.2	+14.3
Danish kroner	114.7	+2.5
Deutsche mark	156.4	+45.7
Swiss franc	201.9	+83.8
Guilder	124.5	+19.7
French franc	101.0	−5.0
Lira	54.8	−49.6
Yen	118.9	+18.0

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

OTHER MARKETS

Nov. 7	£	$		£ Note Rates
Argentina Peso	3212-3232	1525-1535	Austria	26.8-27.1
Australia Dollar	1.9190-1.9230	0.9130-0.9135	Belgium	61.75-62.55
Brazil Cruzeiro	64.84-65.84	30.80-31.25	Denmark	11.02-11.10
Finland Markka	7.9933-8.0190	3.8060-3.8075	France	8.75-8.79
Greek Drachma	78.580-78.850	37.30-37.45	Germany	3.73-3.78
Hong Kong Dollar	10.54-10.57	5.0390-5.0410	Italy	17.10-17.55
Iran Rial	148.15-155.0	70.35-74.00	Japan	5.01-5.06
Kuwait Dinar (KD)	0.581-0.591	0.2800-0.2801	Netherlands	4.14-4.17
Luxembourg Frc.	60.70-60.80	28.84-28.86	Norway	10.48-10.58
Malaysia Dollar	4.5950-4.6150	2.1915-2.1925	Portugal	102-110
New Zealand Dlr.	2.1700-2.1780	1.0320-1.0335	Spain	136-145
Saudi Arab. Riyal	7.0-7.10	3.3692-3.3698	Switzerland	3.41-3.44
Singapore Dollar	4.5800-4.6000	2.1840-2.1850	United States	2.08-2.09
Sth. African Rand	1.7290-1.7320	0.8275-0.8280	Yugoslavia	45¼-46¼

Rate given for Argentina is free rate.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU November 7	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	39.8456	40.0623	[illegible]	+0.57	±1.53
Danish Krone	7.36594	7.33154	−0.47	−0.41	±1.635
German D-Mark	2.48557	2.47769	−0.32	−0.26	±1.125
French Franc	5.85522	5.81696	−0.65	−0.60	±1.3575
Dutch Guilder	[illegible]	2.75314	+0.21	+0.26	±1.515
Irish Punt	0.669141	[illegible]	+0.04	+0.09	±1.665
Italian Lira	1159.42	1147.72	−1.01	−1.01	±4.08

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

EXCHANGE CROSS RATES

Nov. 7	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'r	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.106	3.765	506.0	8.830	3.440	4.180	1743.	2.491	60.75
U.S. Dollar	0.475	1.	1.788	240.3	4.193	1.633	1.985	827.6	1.183	28.85
Deutschemark	0.266	0.559	1.	134.4	2.345	0.914	1.110	462.9	0.661	16.14
Japanese Yen 1,000	1.976	4.162	7.441	1000.	17.45	6.798	8.261	3445.	4.922	120.1
French Franc 10	1.133	2.385	4.264	573.0	10.	3.896	4.734	1974.	2.820	68.80
Swiss Franc	0.291	0.612	1.094	147.1	2.567	1.	1.215	506.7	0.724	17.66
Dutch Guilder	0.239	0.504	0.901	121.1	2.112	0.823	1.	417.0	0.596	14.53
Italian Lira 1,000	0.574	1.208	2.160	290.3	5.066	1.974	2.398	1000.	1.429	34.85
Canadian Dollar	0.402	0.846	1.512	203.2	3.545	1.381	1.678	699.8	1.	24.39
Belgian Franc 100	1.646	3.467	6.198	832.9	14.53	5.665	6.881	2869.	4.100	100.

EURO-CURRENCY INTEREST RATES

The following nominal rates were quoted for London dollar certificates of deposit: one-month 15.10-15.20 per cent; three months 15.55-15.65 per cent; six months 15.25-15.35 per cent; one year 14.00-14.10 per cent.

Nov. 7	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
Short term	n/a	13⅞-14⅛	11-12	9¾-10	⅞-1	8-8¼	11⅞-12¼	13-15	—	4⅛-6⅛
7 days' notice	13¾-14¼	14⅛-14⅜	12-13	9¾-10	1¼-1⅞	8-8⅛	12-12¼	13½-14½	13⅝-13⅞	4⅛-5⅛
Month	14⅜-14⅝	15⅛-15¼	13¼-13⅝	9¾-10	2⅛-2⅞	8⅛-8¼	13⅛-13⅜	15-16	13¾-13⅞	6⅞-7⅞
three months	15⅛-15⅜	15⅜-15⅝	14⅛-14⅜	10⅛-10⅜	3⅝-3¾	8⅛-8⅜	14⅛-14⅜	15¾-16¾	15⅜-15⅝	7⅛-7⅜
six months	15⅛-15⅜	15⅛-15⅜	13⅞-14¼	10⅛-10⅜	3⅞-4⅛	8¾-8⅞	14⅛-14⅜	16¼-17¼	15⅛-15⅜	7⅛-7¼
one year	14⅝-14⅞	14⅛-14⅜	13¼-13⅝	9⅞-10⅛	4-4⅛	8⅛-8⅜	14⅛-14⅜	16-17	14⅛-14¼	6⅞-7⅛

Long-term Eurodollar two years 13-13¼ per cent; three years 12¾-12¾ per cent; four years 12¾-12¾ per cent; five years 12-12¼ per cent; nominal closing rates. Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two-day call for guilders and Swiss francs. Asian rates are closing rates in Singapore.

INTERNATIONAL MONEY MARKET

Europe rates mixed

There was little obvious pattern to European interest rate movements yesterday. Paris call money returned to a three-year peak of 11⅞ per cent, first touched at the end of last month, reflecting a slight tightening of liquidity. French term rates were unchanged in the domestic market, however, while German interbank rates showed a slightly weaker trend overall, and Dutch money market rates were generally steady.

Sentiment in the Amsterdam money market was helped by a marginal easing of Euroguilder rates—following a similar trend in Euromarks—coupled with expectations of an improvement in bank liquidity by the end of the year as seasonal factors, which are at present causing credit shortages, ease. The underlying Dutch money market deficit, excluding the special advance of the central bank, was Fl 3.2bn at the beginning of this week. This is expected to decrease before the payment of gas royalties creates a further shortage on November 15.

PARIS — Call money rose to 11⅞ per cent from 11¾ per cent. One-month was unchanged at 12¼-12½ per cent, with three-month, six-month and 12-month funds steady at 12¾-12⅞ per cent.

FRANKFURT — Call money fell to 7.45-7.55 per cent from 7.60-7.80 per cent, and one-month to 8.30-8.40 per cent from 8.40-8.55 per cent. Three-month was quoted at 9.65-9.75 per cent, compared with 9.60-9.80 per cent, and six-month at 9.30-9.40 per cent, compared with 9.30-9.50 per cent; 12-month money showed little change at 8.90-9.00 per cent, compared with 8.90-9.10 per cent.

AMSTERDAM — Call money was unchanged at 10-10¼ per cent, with one-month at 10⅝ per cent, compared with 10½-10¾ per cent; three-month 10⅞-11 per cent, compared with 10⅞-11 per cent; and six-month 10⅝-10¾ per cent, compared with 10½-10¾ per cent.

UK MONEY MARKET

Further rise

Bank of England Minimum Lending Rate 14 per cent (since June 12, 1979)

Trading remained nervous in the London money market yesterday, with the discount houses buying rate for three-month Treasury bills rising to 14½ per cent from an average of 13.4868 per cent at last Friday's tender. Under the old Bank of England Minimum Lending Rate formula, terminated in May last year, present Treasury bill rates indicate MLR of at least 15 per cent. Longer term rates were particularly firm, with one-year interbank money rising to 14½-15 per cent from 14⅜-14⅝ per cent.

Day-to-day credit was in short supply, and the authorities gave small assistance by buying a small amount of Treasury bills and a small number of local authority bills.

There was a small net take-up of Treasury bills to finance, and the market was also faced with the unwinding of a repurchase agreement on eligible bank bills. On the other hand banks brought forward small surplus balances, Government disbursements exceeded revenue payments to the Exchequer, and there was a small decrease in the note circulation.

Discount houses paid 13½ per cent for secured call loans in the early part, with some balances picked up at 10 per cent, before loans opened at 13-13½ per cent. Rates in the table below are nominal in some cases.

GOLD

Sharp rise

Gold rose quite sharply in the London bullion market yesterday to finish at \$395-396, a rise of \$11½ an ounce. Trading was affected by the present uncertainty over Iran's oil exports and the effect on the dollar. The metal opened at \$392½-394½ and rose steadily through the day to be fixed at \$392.50 in the morning and \$395.0 in the afternoon.

In Paris the 12½ kilo bar was fixed at FFr 54,450 per kilo (\$403.61 per ounce) compared with FFr 54,450 (\$403.11) in the morning and FFr 53,000 (\$391.58) on Tuesday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 22,580 per kilo (\$392.45 per ounce) against DM 22,065 (\$382.48) previously.

	November 7		November 6	
Gold Bullion (fine ounce)				
Close	\$395-396	(£187½-188)	\$383½-384½	(£185-185½)
Opening	\$392½-394½	(£187.7-188.7)	\$377½-379	(£181¾-182½)
Morning fixing	\$392.50	(£188.096)	\$382.80	(£184.482)
Afternoon fixing	\$395.00	(£188.517)	\$384.30	(£185.142)
Gold Coins				
Krugerrand	\$406½-407½	(£192¾-193¾)	\$394-395	(£190-191)
Mapleleaf	\$411-416	(£195-200)	\$397-401	(£191½-195½)
New Sovereigns	\$101½-102½	(£48-49)	\$99-100	(£47¾-48¾)
King Sovs.	\$113-115	(£53½-55)	\$110½-111½	(£53¼-54½)
Victoria Sovs.	\$114-116	(£54-55½)	\$111½-112½	(£53½-54½)
Fr 20 Napoleon	FFr420-430	(SFr163-166)	FFr410-420	(SFr160½-163½)
50 pesos Mexico	\$490-492		\$476½-478½	
100 Cor. Austria	\$387-390		\$370-372	
\$20 Eagles	\$507-510		\$498-501	
\$10 Eagles	\$272-287		\$258-273	
\$5 Eagles	\$225-245		\$215-235	

MONEY RATES

Prime Rate	15¼-15½
Fed Funds	13-13½
Treasury Bills (13-week)	12.28
Treasury Bills (26-week)	12.30
NEW YORK	
Discount Rate	6
Overnight Rate	7.50
One month	8.35
Three months	9.70
Six months	9.35
GERMANY	
Discount Rate	9.5
Overnight Rate	11.875
One month	12.1875
Three months	12.8125
Six months	12.8125
FRANCE	
Discount Rate	6.25
Call (Unconditional)	7.5
Bills Discount (three-month)	—
JAPAN	

LONDON MONEY RATES

Nov. 7 1979	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	9-13⅛	—	—	—	12⅛	10-13¼	—	—	—
2 days notice	—	—	14⅛-14¼	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	13⅝-14¼	14¼-14½	—	—	14¼	12½-13½	—	—	—
One month	15¼-15⅛	14⅜-14⅞	14⅝	15¾-15⅞	—	15	13⅞-15	14	15	15¾
Two months	15½-15⅜	15-15¼	—	15-15¾	—	—	13⅞-14	14¼	15⅛	15¾
Three months	15⅜-15⅛	15-15⅜	14¾-15	15⅞-15⅝	—	—	14	14⅛	15⅛	15⅝
Six months	15¼-15⅛	15-15¼	14¾-15	15¾-15	—	—	—	—	14⅝	14¾
Nine months	15-14¾	14⅞-15⅛	—	15⅜-14⅞	—	—	—	—	—	—
One year	15-14¾	14½-15	14⅛-14½	14⅞-14½	—	—	—	—	—	—
Two years	—	—	14-14¼	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days fixed. *Long-term local authority mortgage rates nominally three years 13⅞-14¼ per cent; four years 13⅞-14¼ per cent; five years 13⅞-14¼ per cent. ♦ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 14⅞ per cent; four-month trade bills 15¾ per cent.

Approximate selling rates for one-month Treasury bills 13¾ per cent; two-months 14 per cent; three-months 14¼ per cent. Approximate rate for one-month bank bills 14½ per cent; two-months 14¾ per cent; and three-month 14⅞ per cent; one-month trade bills 15 per cent; two-months 15¼ per cent and three-months 15¼ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 14½ per cent from November 1, 1979. Clearing Bank Deposit Rates for sums at seven days notice 11½-12 per cent. Clearing Bank Rates for lending 14 per cent. Treasury Bills: Average tender rates of discount 13.4868 per cent.

هكذا من الأصل

ENTERTAINMENT GUIDE

THEATRES

...G VIC. 928 6363. ...t 7.30: ROSENCRANTZ & ...DENSTERN ARE DEAD.

CINEMAS

...1 & 2 SHAFTESBURY AVE 836-8861 ...perfs. ALL SEATS BKBLE. ...HE FRISCO KID (A). Wk. and Sun. ...5.00, 8.00. ...PHOPHECY (X). Wk. and Sun. 2.00, ...8.10. Late show Fri. & Sat. 11.10.

...SIC 1, 2, 3, Haymarket (Piccadilly ...us Tube). 01-839 1527. ...Peter O'Toole ZULU DAWN (A), in ...y Stereo. Progs. 1.10, 3.35, 6.00, ... Bogdanovich's SAINT JACK (X). ...0. 3.05, 5.25, 7.55. ... George Hamilton LOVE AT FIRST ...(AA). Progs. 1.00, 3.15, 5.35, 7.55.

...SIC 1, 2, 3, 4, 5, Oxford St. 836 ...(op. Tottenham Court Rd. Tube). ...ZULU DAWN (A). In Dolby Stereo. ...1.00, 3.25, 5.55, 8.25. ...Woody Allen's MANHATTAN (AA). ...12.50, 2.50, 4.50, 8.50. ...MAD MAX (X). Progs. 2.15, 4.20, ...8.55. ...QUADROPHENIA (X). Progs. 1.30, ...6.10, 8.35. ...R. R. Tolkien's THE LORD OF THE ...GS (A). Sep. perfs. 2.00, 5.00, 8.00.

...SIC, Leicester Square. 930 6915. ...ard Harris GAME FOR VULTURE ...CONFESSIONS OF A POP ...FORMER (X). Progs. 12.00, 1.40, ...7.05.

...SIC, POLY, Oxford Circus (Upper ...ent Street). 637 9863. J. R. R. ...ien's THE LORD OF THE RINGS (A). ...2.30, 5.10, 7.55.

...ON, Curzon Street, W1. 499 3737. LEE REMICK in THE EUROPEANS (U). ...2.00 (not Sun.), 4.00, 6.20, 8.40. "...near perfection as one could wish ...a treat of a film." Alexander ...ker, Evening Standard.

...N HAYMARKET (930 2738-2771). ...T KIDS (AA). Sep. perfs. Wks. 2.15, ...9.15. Sun. 4.30, 7.45. Late Night ...Fri. and Sat. 11.30 pm.

...N LEICESTER SQUARE (930 6111) ...IKS (AA). Sep. perfs. Wks. doors open ...4.15, 7.30. Sun. doors open 3.00. ...Late night show Fri. and Sat. Drs. ...11.15. All seats bookable in ...nce at Box Office or by post.

...N MARBLE ARCH W2 (723 2011-2) ...ONRAKER (A). Sep. perfs. Sun.-Fri. ...open 3.00, 6.45. Sat. Drs. open 1.15 ...8.05. Late night show Sat. 12.00. ...ing Perf. and weekends bookable in ...nce.

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...IO 3 and 4, Oxford Circus. 437 3300 ...bar. ...DIO 3: Robert Altman's A PERFECT ...PLE (AA). Pgs. 12.50, 3.20, 5.50, ...Late show Sat. 11.10. ...DIO 4: THE DEER HUNTER (X). ...1, 4.05, 7.30. Late show Sat. 10.50.

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COMPANY NOTICES

MALAKOFF BERHAD
(Incorporated in Malaysia)
TO THE SHAREHOLDERS OF MALAKOFF BERHAD ON THE U.K. BRANCH REGISTER AND THEIR AGENTS

CLOSURE OF BRANCH REGISTER

The Directors announce that with effect from 30th November 1979 the *U.K. Branch* Register presently maintained and operated by Ravensbourne Registration Services Limited, Bourne House, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, is to be terminated and all shareholders on the U.K. Branch Register shall on that date be transmitted en bloc to the Principal Register at the Company's Registered Office in Malaysia.

Please be notified that any pending requests for transmission from Branch Register to Principal Register shall be accepted by the Branch Registrars up to 21st November 1979 for registration after which they will proceed with en bloc transmission from the Branch Register to the Principal Register effective on 30th November 1979. New share certificates shall be issued and shareholders or their Agents are requested to lodge their old share certificates with the Registered Office in Malaysia for exchange of new certificates.

After 30th November 1979, shareholders or their Agents who wish to communicate with the Company may do so either direct to the Registered Office:
14 Jalan 223, Section 20A
Petaling Jaya
Selangor, Malaysia
Postal Address:
P.O. Box 1011
Kuala Lumpur 01-02
Tel: 03-773422
Telex: BOUSMA MA37564
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The Directors wish to place on record their appreciation of the services rendered by Ravensbourne Registration Services Limited since their appointment in January 1977.

By Order of the Board:
KHADIJAH ABDULLAH,
Secretary.
7th November, 1979.

DAIWA SEIKO INC.

This is to notify EDR Holders that we have received Notice of Resolution of the 24th Ordinary General Meeting of Shareholders, held on Wednesday, 24th October 1979.

Copies of such Notice are available upon request at the offices of the undermentioned Depositary and the Agent:—
Banque Internationale Luxembourg S.A.
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Robert Fleming & Co. Limited,
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London,
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LEGAL NOTICES

IN THE MATTER OF
A. & B. MARSH LIMITED
AND IN THE MATTER OF
THE COMPANIES ACT 1948

NOTICE IS HEREBY GIVEN that the creditors of the above-named Company, which is being voluntarily wound up, are required, on or before the 4th day of December, 1979, to send in their full Christian and surnames, their addresses and descriptions, full particulars of their debts or claims, and the names and addresses of their Solicitors (if any), to the undersigned
PETER RICHARD COPP, FCA,
of 54 Baker Street,
London, W1,
one of the Liquidators of the said Company, and, if so required by notice in writing from the said Liquidator, are, personally or by their Solicitors, to come in and prove their debts or claims at such time and place as shall be specified in such notice, or in default thereof they will be excluded from the benefit of any distribution made before such debts are proved.

Dated this 23rd day of October 1979.
P. D. GOODMAN,
P. R. COPP,
Liquidators.

THE COMPANIES ACTS 1948 TO 1976

MARTIQUE LIMITED

NOTICE IS HEREBY GIVEN, pursuant to section 293 of the Companies Act 1948, that a Meeting of the Creditors of the above-named Company will be held at the offices of
LEONARD CURTIS & CO.,
Situate at 3/4 Bentinck Street,
London W1A 3BA,
on Wednesday, the 14th day of November, 1979, at 12 o'clock midday, for the purposes mentioned in sections 294 and 295 of the said Act.

Dated this 30th day of October, 1979.
By Order of the Board.
M PASHA, Director.

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Dow 4 easier at mid-session on Iran troubles

AFTER A fresh early sharp retreat yesterday Wall Street managed to recover some of the lost ground by mid-session even though the Iranian situation semed to be worsening.

The Dow Jones Industrial Average, down 7.24 more at the 11.00 am calculation, rallied to 802.30 at 1 pm to leave a fresh net decline of 4.18. THE NYSE All Common Index was 37 cents lower on balance at $57.11, after touching $56.90. Declining issues at mid-session, however, retained a substantial lead over gains in the ratio of four-to-one. Turnover expanded to 21.67m shares from the low figure of 16.08m recorded at 1pm on Tuesday.

U.S. energy secretary Duncan said Iranian oil shipments to the U.S. were cut off on Tuesday, and he could not confirm reports that they had been resumed yesterday. Meanwhile, the Ayatollah Khomeini told aides not to meet with a U.S. negotiating team bound for Iran to seek release of U.S. hostages.

Compounding the market's problems, Chase Manhattan Bank raised its Prime Rate to 15¾ from 15¼ per cent, but no other banks had followed the move.

General Motors slipped ½ to $55½, Du Pont ¼ to $37¾, Boeing ⅞ to $44½, Eastman Kodak ½ to $48¾ and Alcoa ⅞ to $51⅞.

Chrysler eased ⅛ to $7½. Treasury Secretary Miller said Chrysler should consider selling its stake in Peugeot to raise cash.

Columbia Pictures lost ½ to $27¼ after lower first-quarter net earnings. A company official said Kirk Kerkorian, a major holder, might consider selling his shares in the event of a tender offer for at least 51 per cent of the company's stock.

Ashland Oil jumped 4⅝ to $38½. The company has raised the dividend and filed to ffer to exchange a new Preferred stock and Debentures for up to 5m of its Common stock. Coca-Cola reported improved third-quarter results and hardened ¼ to $34¼.

THE AMERICAN SE Market Value Index was a net 1.24 off at 206.00 at 1 pm, after falling initially to 204.19. Volume 2.17m shares (1.64m).

Closing prices and market reports were not available for this edition.

Canada

Markets suffered a further setback yesterday morning in fairly active trading. The Toronto Composite Index was 10.7 lower at 1,586.3 at noon, while Oils and Gas declined 23.9 to 3,225.1, Metals and Minerals 14.9 to 1,394.4 and Banks 0.95 to 277.47. Golds remained a firm sector, however, adding 18.7 at 1,946.0.

Total Petroleum rose 1¼ to C$27¾ after a trading delay. The company said it may have a noil discovery in Alberta.

Tokyo

Worries over the possibility of a curtailment of oil exports from Iran brought the Tokyo market down sharply across a wide front in another fairly active trade.

The Nikkei-Dow Jones Average fell 89.72 to 6,368.11 and the Tokyo SE index weakened 4.60 to 443.80, while falls on the First Market section led rises by 474 to 121. Volume amounted to 320m shares (300m).

Petroleums and Resources-related issues provided bright exceptions but closed below the day's best. Nippon Oil gained Y10 to Y2,200, Mitsui Mining Y31 to Y625 and Teikoku Oil Y20 to Y1,020.

Trading Houses, recently strong, retreated with the rest of the market. Mitsui, which is participating in a big petrochemical project in Iran, fell Y43 to Y402 following the Iranian Cabinet resignation. C. Itoh lost Y28 to Y540.

Elsewhere, Matsushita Electric declined Y19 to Y696, Toyota Motor Y11 to Y860, Canon Y19 to Y574, Heiwa Real Estate Y28 to Y624, Takeda Chemical Y7 to Y489, Sanko Steamship Y7 to Y355, Sony Y40 to Y1,660 and Honda Motor Y16 to Y556.

Germany

Bourse prices further declined in nervous trading and, although many issues closed above the day's worst, the Commerzbank index registered a fresh fall of 7.6 at 704.5, a new 1979 low.

In addition to the fundamental problems of high interest rates, the market was depressed by the uncertainties in Iran and their implications for oil supplies and pricing.

Traders noted that some Bank issues were able to counter the trend and that many other shares had benefited from technical short-covering by dealers to close above their day's lows.

Deutsche Bank and Dresdner Bank were slightly firmer on the day, but Karstadt and Kaufhof fell DM 4.5 and DM 5.50 respectively in Stores, while Deutsche Babcock lost DM 3.50 in the Machines sector. Siemens, in Electricals, shed DM 2.60.

Mark Foreign Loans and Domestic Bonds fell by up to 30 pfennigs, and the Bundesbank sold a nominal DM 6.2m of Public Authority issues in open-market operations.

Hong Kong

After starting on a firmer note, the market moved sharply and broadly lower on heavy fresh local profit-taking, with higher Bullion prices and fears of a possible local credit squeeze undermining sentiment.

The Hang Seng index retreated 20.70 more to 696.55, leaving it 30.85 below the new six-year closing peak established on Monday. Trading volume was again substantial, totalling HK$307.41m on the four exchanges, against Tuesday's HK$308.38m.

Hongkong Bank and Jardine Matheson fell 50 cents each to HK$15.30 and HK$13.70 respectively. Hutchison Whampoa receded 35 cents to HK$8.35, Swire Pacific "A" and Wheelock "A" 20 cents apiece to HK$8.80 and HK$3.70, HK Electric 15 cents to HK$4.80 and HK Wharf HK$2.00 to HK$41.00.

Among Properties, Hong Kong Land lost 50 cents to HK$11.60, SHK Properties 50 cents to HK$17.50, Cheung Kong 30 cents to HK$18.70, Swire Properties 25 cents to HK$4.95, Hutchison Properties 20 cents to HK$15.40, New World 22.50 cents to HK$3.175 and Tai Cheung 15 cents to HK$2.35.

Australia

Uncertainty over the Iranian situation and oil exports to Western nations boosted Oil issues, some other energy stocks and Gold Producers, but left other segments of Mining and Industrials looking easier at the close.

Woodside Petroleum advanced 9 cents to A$1.95 and BHP, with its oil drilling interests, rose 16 cents to A$9.90.

Among Coals, Thiess rose 30 cents to A$6.70 on speculation over possible further share purchases in the company by CSR, which shed 7 cents to A$4.61. In the Uraniums sector, EZ Industries put on 5 cents to A$4.30 and Peko-Wallsend 14 cents to A$6.74.

Among Gold Producers, Central Norseman climbed 40 cents to A$7.50 and GMK 10 cents to A$2.55.

Diamond explorer Ashton Mining, however, receded 8 cents to A$1.65, while BH South shed 10 cents to A$3.70 and Western Mining 7 cents to A$3.38.

Most of the take-over situaions fell, with H. C. Sleigh losing 10 cents to A$1.02, after announcing a placement of 8m new shares at a premium.

Paris

Share prices mostly lost further ground in more active trading, with uncertainties about the situation in Iran and Wall Street's fresh overnight fall weighing on the market. The Bourse Industrials index receded 2.3 more to 89.4.

All sectors suffered, notably Oils, Buildings, Public Works and Electricals.

Michelin fell FFr 16 to FFr 802 despite announcing a higher dividend for the first nine-months.

Johannesburg

Gold shares staged a further good advance on the higher international Bullion price and uncertainty regarding the Iranian political situation.

West Driefontein added R3.30 at R72.50 and St. Helena R1.50 at R28.50.

Industrials were firmer-inclined, with Barlow Rand up 15 cents at R8.05.

State benefits summary

SOCIAL SECURITY benefits payable under the Social Security Acts 1975 to 1977 are summarised in the latest Accountants Digest published by The Institute of Chartered Accountants in England and Wales.

Aspects of Social Security Benefits 1979-80, by K. D. Bartlett, £3.50, may be obtained from PO Box 433, Moorgate Place, London EC2P 2BJ.

NOTES: Belgian dividends are after withholding tax.

♦ DM 50 denom. unless otherwise stated, yields based on net dividends plus tax.

♥ Pta 500 denom. unless otherwise stated.

♣ DKr 100 denom. unless otherwise stated.

♠ SwFr 500 denom. and Bearer shares unless otherwise stated. ¶ Y50 denom. unless otherwise stated. § Price at time of suspension. a Florins. b Schillings. c Cents. d Dividend after pending rights and/or scrip issue. e Per share. f Francs. g Gross div. %. h Assumed dividend after scrip and/or rights issue. k After local taxes. m % tax free. n Francs including Unilac div. p Nom. q Share split. s Div. and yield exclude special payment. t Indicated div. u Unofficial trading. v Minority holders only. y Merger pending. * Asked. † Bid. § Traded. ‡ Seller. z Assumed. xr Ex rights. xd Ex dividend. xc Ex scrip issue. xa Ex all. A Interim since increased.

Indices

NEW YORK—DOW JONES

	Nov. 6	Nov. 5	Nov. 2	Nov. 1	Oct. 31	Oct. 30	1979 High	1979 Low	Since Compil'n High	Since Compil'n Low
♦ Industr'ls	806.48	812.63	818.94	828.14	815.70	825.61	897.61 (5/10)	805.48 (25/10)	1051.70 (11/1/73)	[illegible]
H'me B'nds	75.93	75.76	75.86	76.30	76.55	76.32	88.18 (15/6)	75.75 (5/11)	—	[illegible]
Transport.	238.35	231.01	232.81	234.57	231.93	232.86	271.77 (15/8)	205.78 (27/2)	279.88 (7/2/69)	[illegible]
Utilities	99.49	99.76	100.54	100.81	100.08	100.68	108.61 (23/8)	98.24 (24/10)	163.32 (20/4/69)	[illegible]
Trading Vol 000's†	22,060	20,890	25,770	26,300	27,780	28,350	—	—	—	—

♦ Day's high 813.40 low 804.62

	Nov. 2	Oct. 26	Oct. 19	Year ago (approx)
Ind. div. yield %	6.11	6.26	6.11	6.72

STANDARD AND POORS

	Nov. 6	Nov. 5	Nov. 2	Nov. 1	Oct. 31	Oct. 30	1979 High	1979 Low	Since Compil'n High	Since Compil'n Low
‡Indust'ls	113.38	114.10	114.92	114.97	114.07	115.88	124.49 (5/10)	107.08 (27/2)	134.64 (11/1/73)	[illegible]

Dec. 1953. ‡‡ Amsterdam Industrial 1970. ¶¶ Hang Seng Bank 31/7/64. ||| Banca Commerciale Italiana 1972. a Tokyo New SE 4/1/68. b Straits Times 1966. c Closed. d Madrid SE 29/12/78. e Stockholm Industrial 1/1/58. f Swiss Bank Corporation. u Unavailable.

TUESDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
McDonald's	365,000	47⅝	[illegible]
Avco	338,000	24	[illegible]
IBM	299,500	63⅝	[illegible]
General Motors	298,900	56⅝	[illegible]
Gulf United	281,100	24⅝	[illegible]
Pond'rose System	235,400	12⅞	[illegible]
Georgia-Pacific	231,400	24	[illegible]
Boeing	183,700	44⅝	[illegible]
Warner-Lambert	181,000	18⅝	[illegible]
Mobil	176,400	48⅝	[illegible]

NEW YORK

GERMANY ♦

TOKYO ¶

AUSTRALIA

STOCKHOLM

AMSTERDAM

BRUSSELS/LUXEMBOURG

SWITZERLAND ♠

COPENHAGEN ♣

VIENNA

MILAN

PARIS

BRAZIL

OSLO

JOHANNESBURG

SPAIN ♥

CANADA

MONTREAL

TORONTO

هكذا من الأصل

More fish workers redundant

Financial Times Reporter

MORE FISH process workers at Hull are being made redundant because so few trawlers are now landing catches at the port.

Brekkes is closing down its fish processing dept with the loss of 75 jobs.

The J. Marr and Son Company is laying off 95 process workers for the same reason.

Mr. Peter Lovell, managing director of Brekkes, said few fresh fish catches were now reaching Hull. There was plenty of fish coming into the country, he said, but most of it was imported at prices with which they could not compete.

Hundreds of fish process workers have lost their jobs at Hull this year as long-established firms closed down because of the changing conditions in the industry.

Nearly all the local trawlers fill at sea art fishing for mackerel and selling their catches to Russian factory ships off the south coast.

Offshore oil hits Norwegian catches

By Our Own Correspondent

OSLO — Catches on several important Norwegian North Sea fishing banks have fallen by between 25 and 50 per cent as a direct result of seabed litter left by offshore oil activities, according to the Norwegian Fisheries Directorate.

The directorate said the areas would eventually be completely lost to the fishing industry if littering by the oil companies was allowed to continue.

He said the Viking Bank, the Tewkant, the Patch Bank, the Frondyke Field and the Utsersund Reef were among the worst-affected areas.

Norwegian authorities have received nearly 2,500 claims, under a temporary compensation scheme, from fishermen whose gear has been destroyed or damaged by oil scrap.

Coffee group may expand

MEXICO CITY — The Bogota Group of eight Latin American coffee producers plans to expand to include African and possibly Asian countries to swell its influence, according to Sr. Manuel Aguilera Gomez, director general of the Mexican Coffee Institute.

Walker claims lamb plan will cost EEC £195m

BY CHRISTOPHER PARKES

THE EUROPEAN Commission's plans for a common marketing regime for mutton and lamb would add up to £195m to the cost of running the Community's farm policy next year, the British Government claims.

The scheme would also entail a significant transfer of resources from Britain, already paying an unfair share of the farm policy bill, to other EEC countries.

The claims are put forward in a document sent by Mr. Peter Walker, Minister of Agriculture, to the Commission and his European colleagues who are to continue their negotiations on a Community regime in Brussels next week.

Mr. Walker aims to show that the scheme would cost far more than the Commission estimates and that the Community, already running up against its budget ceiling, simply cannot afford it.

His aides' calculations, however, are not based exactly on the Commission's original proposals, which the Minister claims discriminate against Britain.

The Commission has proposed that during the transition period for a new lamb regime, when prices in Community countries would be brought broadly into line, any losses to farmers should be made good either through headage payments on all sheep or subsidies on slaughter.

In general, each country would have an annual target or reference price for lamb based on past years' prices. Farmers who earned less than the target would have their returns made up with Community subsidies.

It is calculated that if free trade were allowed under a new regime, French farmers' earnings from lamb would fall by 10 to 14 per cent. British prices would go up.

But the Ministry argues that because British lamb has been denied free access to France for so long, prices have been artificially depressed. It has made allowances for this in its estimates and removed what it calls "discriminatory elements" from the Commission's original plan.

Mr. Walker stressed that his paper was not a proposal, but an illustration.

At last week's council meeting he told other EEC Ministers, while arguing about the cost of the Commission's plans, that he could produce figures which would convince them that the proposals would be too expensive.

His document estimates the total cost next year at between £165m and £195m.

● Latest statistics from Brussels show that consumption of lamb has increased this year in all Community countries except Britain and Ireland.

French consumption has risen by a further 4,000 tonnes to 206,000 tonnes compared with 180,000 tonnes in 1973. German intake is estimated 8,000 tonnes higher at 48,000 tonnes (24,000), while consumption in Britain is expected to be only 400,000 tonnes, 3,000 tonnes less than last year and 68,000 tonnes lower than in 1973, the year the UK joined the EEC.

Community production is about 5,000 tonnes higher than last year at 510,000 tonnes. The gain is almost wholly attributable to increased slaughterings in France and Britain.

Titanium shortage fears grow

BY JOHN EDWARDS, COMMODITIES EDITOR

CUTBACKS IN sales of titanium from the Soviet Union are seriously worrying European consumers dependent on Russia for a big proportion of their supplies of this strategic metal.

London traders say free market prices, influenced mainly by the Russians, have jumped from under $10 a kilo at the beginning of the year to the present level of more than $30 with deals recently reported between $38 to $40.

This compares with the producer price, charged by U.S. companies, of about $5.50 a lb and recent sales by the Japanese at between $6 to $7.50 a lb.

It is claimed that one reason for the cut in Russian sales is that Soviet Union domestic consumption has increased sharply because of much bigger amounts of titanium being used for new submarines and aircraft.

London traders are not so sure. They think Russia is simply taking advantage of the market situation, where a sudden rise in demand mainly from the aerospace industry has overwhelmed existing production capacity in the Western world.

Titanium has become popular because of its lightness and strength compared with steel, its high melting point and non-corrosive properties. But these attractions would considerably diminish if it was feared supplies were scarce and prices too high.

There is no shortage of the basic raw material used for titanium—the beach sands rutile and ilmenite are available in abundant quantities mainly in Australia. The scarcity is in capacity for producing titanium sponge and semi-manufactured products.

Russia is by far the biggest metal producer with an annual capacity of between 35,000 to 40,000 tonnes, followed by the U.S. with 23,000, Japan 12,000, and Britain less than 5,000.

Talks are still continuing on a plan to build a new £30m plant on Teesside to boost British output.

Terry Dodsworth in Paris writes: The titanium shortage has raised new speculation in France about the possibility of building a processing plant to guarantee domestic supplies.

A factory under the direction of Pechiney-Ugine Kuhlmann, the engineering and metals group, has been under discussion for some time. But the company has refused to go ahead without financial support from the Government.

Roger Boyes in Bonn writes: West German economics officials confirmed yesterday that Soviet deliveries of titanium had been drastically reduced over the past few months.

The normal practice until this year has been to sign one-year supply contracts with Germany but over recent months the only Soviet titanium to reach Germany has been via the "free market."

Although the German Government is reluctant to specify exactly how much titanium it imports from the Soviet Union, it has said that between 75 and 80 per cent of its supply comes from Moscow.

Zambian copper shipments maintained

LUSAKA — Shipments of Zambian copper are being maintained at their normal level despite the closure of the Tazara railway. The country's two state-run mining companies, Roan Consolidated Mines and Nchanga Consolidated Copper Mines do not anticipate cutbacks in supply commitments, an RCM spokesman said, reports Reuter.

The spokesman said the two companies' copper shipments from the ports of East London and Dar es Salaam last month totalled just over 51,000 tonnes, slightly more than in each of the two previous months.

Transport sources here said Zambia is negotiating with South Africa to provide enough extra locomotives and wagons to double the line's copper carrying capacity to around 40,000 tonnes a month to make up for the Tazara closure.

Zambian Railways are confident of being able to handle the extra tonnage of southern route copper, despite a poor record of slow turnaround times and accidents.

Our Commodities Staff writes: London Metal Exchange dealers were sceptical about Zambian claims of being able to maintain supplies, bearing in mind past experience. However, the market has already discounted shortfalls in supplies from both Zaire and Zambia to a large extent, and prices yesterday were subdued by the rise in the value of sterling against the dollar.

Tasmanian pig disease not foot and mouth

By Our Own Correspondent

NO EVIDENCE of foot and mouth disease or any other known vesicular disease has been found in samples obtained from pigs in a recent exotic disease alert in Tasmania.

The Minister for Primary Industries, Mr. Peter Nixon, said the animal virus institute at Pirbright, Surrey, where the samples were sent, said all tests had proved negative.

The Australian consultative committee on exotic animal diseases is considering lifting quarantine and stock movement restrictions.

SOFTWOOD MARKET

Importers prepare to fight price rise

BY A CORRESPONDENT

THE EUROPEAN softwood market is full of contradictions at present and the exporting countries report early buying for next year at price levels about 10 per cent ahead of deliveries, while six of the eight importing countries forecast lower consumption for next year.

Usually the European Softwood Importers/Exporters Conference, which meets annually at this time to assess needs and market trends for the coming year, is in broad agreement about the underlying strengths and weaknesses, but at the recent meeting in Amsterdam a marked division was apparent and producers were optimistic.

For the UK it was forecast that softwood consumption would fall next year by nearly 5 per cent to 6.5m cubic metres, while imports would drop by more than 8 per cent to 6.4m. The balance will be accounted for by running down stocks which, at the end of this year are estimated will be 1.9m—not an excessive figure but higher than last year at a time when the cost of finance has risen sharply.

It is probably the stock position which is the key to the contrasting view to next year's market. Stocks in most of the consuming countries are expected to be higher at the end of this year than last, but the exporting countries have virtually no stocks on the ground. Even if demand should weaken next year the producers would probably be quite happy to see their stocks rise to more normal levels rather than react by cutting prices to stimulate sales.

Another apparent contradiction in the market was the eagerness of the importing countries to open negotiations and close contracts for next year at higher prices, while forecasting higher stocks for the year end. The answer to this probably lies with the performance of the USSR.

At this time last year Russia expected to have about 8.2m cubic metres available for export to European countries in the present year, but the terrible winter coupled with a very late and wet spring and early summer which brought unprecedented flooding made log extraction from the forests impossible in some regions and the export potential has been reduced to 7.4m.

For this year the UK bought 1.4m cubic metres of Russian wood, but it looks as though deliveries may fall short by up to 200,000 cubic metres. With similar likely in the other seven importing countries, it is easy to see why some importers were fearful of running short of certain sizes.

The Dutch trade opened their buying from Scandinavia at the end of August, to be followed closely by Belgium, France and the UK. At the same time the Scandinavians are finding that their newer markets in the Middle East and North Africa are developing well.

The other side of the equation is the likely strength of demand. Only Spain and Holland expect to consume more softwood next year and for the UK the worries must centre on the strength of demand from about the middle of next year onwards.

At present demand is holding up well at a time when the sharply lower housing starts should, in theory, be pulling in the opposite direction.

It is impossible to quantify softwood usage under the headings repairs, improvements and d-i-y, but these are recognised as a major factor in all countries. Logically it could be expected that demand from these sectors could fall off as the backlog of improvements falls and the tight money policy with high interest rates cuts into home improvements and extensions, but consumer behaviour often defies logic.

Canada, a major supplier of softwood to the European markets, has declared its intention of increasing availabilities by 300,000 cubic metres next year. Its most important export market is the U.S. and it is there that weakness may develop.

Not all the mills which cut for the U.S. can switch their prodution to Europe, but some can, and the Canadians in the past have demonstrated that they are more willing to try stimulating sales with lower prices than their European counterparts.

The Russians are expected to open their sales before the end of the year, probably starting with Holland, and January tipped as the month for the UK schedules, with prices up by about 7½-10 per cent. But in the most strongly worded report yet produced for the conference the UK delegation made its position quite clear: "Exporters' prices in the past year have risen far enough.

"The UK may not have the influence of past years but it is still an important market and with consumption expected to be no better than 6.5m cubic metres it is time surely to call a halt." No market goes up forever, everyone has been warned.

Farm pension scheme can cut tax bill

BY ERIC SHORT

A SELF-ADMINISTERED pension scheme aimed initially at the East Anglian farming and business community has been launched by East Anglia Securities Holdings, the Norwich based merchant banking and investment group, owned predominantly by Scottish American Investment and Anglia Television.

Farmers must operate as a private company and must be a controlling director to qualify for the scheme. The scheme aims at giving pensions on retirement.

It also gives valuable death benefits before retirement free of capital transfer tax. But there are tremendous tax savings for the company in funding the scheme, and the pension fund assets can be partially invested back in the company, in this case the farm.

The contribution rates for a particular scheme are calculated by the actuary to the service.

BRITISH COMMODITY MARKETS

BASE METALS

COPPER—Marginally easier in quiet trading on the London Metal Exchange. A strong overnight performance on Comex saw forward metal open at £978 and edge up to £981, but the sharp rise in sterling caused a downturn in the rings where the price dipped to the low £970's. In the afternoon a higher than expected opening on Comex was offset by the continuing rise in sterling and forward metal closed the late kerb at £973.5 after touching £976. Turnover 21,625 tonnes.

Amalgamated Metal Trading reported that in the morning three months wirebars traded at £978, 81, 80, 79, 78, 76, 75, 74, 73, 72. Cathodes, three months £953, 52. Kerb: Wirebars, three months £973, 72.5, 72, 73. Afternoon: Wirebars, three months £973, 71, 70, 72, 74, 75, 76, 75, 74. Kerb: Wirebars, three months £973, 74, 75, 74, 73, 74, 75.

COPPER	a.m. Official	+ or −	p.m. Unofficial	+ or −
	£	£	£	£
Wirebars				
Cash	955-7	−1	955-7	−1
3 months	972-3	−1	973-4	−2.25
Settlem't	957	−1	—	......
Cathodes				
Cash	935-7	−1	935-6	−3.5
3 months	951-3	−.5	953-5	−2
Settlem't	937	−1	—	......
U.S. Prod.	—	......	*91-96.25	......

TIN—Lower following the strength of sterling, the absence of any significant consumer demand and hedge selling, which depressed forward metal from £7,500 on the early pre-market to £7,450 on the late kerb. The backwardation narrowed to around £130 following reports of fresh supplies of tin arriving in Europe. Turnover 1,265 tonnes.

Morning: Standard, cash £7,660, 40, 30, three months £7,500, 10, 7,500, 05, 7,490. Kerb: Standard, three months £7,500. Afternoon: Standard, three months £7,490, 60, 50. Kerb: Standard, three months £7,460, 50, 40.

TIN	a.m. Official	+ or −	p.m. Unofficial	+ or −
High Grade	£	£	£	£
Cash	7620-40	−55	7570-90	−115
3 months	7485-505	−15	7450-70	−60
Settlem't	7640	−50	—	......
Standard				
Cash	7620-40	−55	7570-90	−115
3 months	7495-95	−15	7460-60	−60
Settlem't	7640	−50	—	......
Straits E.	†$2051	−9	—	......
New York	—	......	—	......

LEAD—Gained ground, despite the rise in sterling, reflecting short-covering after the recent weakness. After opening at £564 forward metal dipped to £558 on the pre-market, but thereafter moved ahead to touch £565 before closing the late kerb at £563. Turnover 7,775 tonnes.

Morning: Cash £565, three months £562, 61, 62, 62.5, 60, 58, 57, 58, 60, 61, 60.5. Kerb: Three months £561, 62, 61, 62. Afternoon: Three months £563, 63.5, 64, 63.5, 65, 64, 63.5, 64. Kerb: Three months £563.

LEAD	a.m. Official	+ or −	p.m. Unofficial	+ or −
	£	£	£	£
Cash	564-5	+10	556-8	+10.5
3 months	560-1	+9	563-4	+9
S'ment	565	+10	—	......
U.S. Spot	—	......	*58-65	......

ZINC—Edged higher in quiet trading. Forward metal traded in the £345 to £348 range prior to closing the late kerb at the former price with the market generally sustained by the firmness of lead. Turnover 2,475 tonnes.

Morning: Three months £346, 46.5, 47. Kerb: Three months £347, 46.5. Afternoon: Three months £348, 46, 45, 45.5, 46. Kerb: Three months £345.

ZINC	a.m. Official	+ or −	p.m. Unofficial	+ or −
	£	£	£	£
Cash	357-8	−9.5	356-7	+6
3 months	345.5-7.5	+5.25	345.6	+4
S'ment	358	+9.5	—	......
Prim w'st	—	......	*37	......

ALUMINIUM—Held steady in the £780 to £785 range with the rise in sterling discounted by feelings that the recent decline in prices has been overdone. Turnover 3,800 tonnes.

Morning: Three months £788, 85, 84. Kerb: Three months £785, 84. Afternoon: Three months £785, 81. Kerb: Three months £781.

Alumin'm	a.m. Official	+ or −	p.m. Unofficial	+ or −
	£	£	£	£
Spot	812-5	+14	811-5	+5.5
3 months	784-.5	+7.25	781-2	+.5

NICKEL—Easier, mainly reflecting the rise in sterling against the dollar. Forward metal rose to £2,850 on the pre-market but failed to hold this level as currency considerations pared the price to £2,800 on the late kerb. Turnover 342 tonnes.

Morning: Three months £2,840, 35, 40. Afternoon: Three months £2,830, 28, 14, 10, 06, 05, 2,800.

NICKEL	a.m. Official	+ or −	p.m. Unofficial	+ or −
Spot	2790-800	+20	2765-80	−27.5
3 months	2835-45	+12.5	2800-5	−37.5

* Cents per pound. ‡ $M per picul. † On previous unofficial close.

INSURANCE BASE RATES

† Property Growth	13¼%
† Vanbrugh Guaranteed	13¾%

† Address shown under Insurance and Property Bond Table.

PUBLIC NOTICES

CITY OF LEEDS
Bills totalling £9.8 million were issued 7 November 1979 due to mature 1st February 1980 at an average price of 96.542092%. "Minimum price of 96.53125% accepted for £3 million.) Applications totalled £95 million. No other Bills are outstanding.

ST. HELENS BOROUGH COUNCIL
Bills issued 8 November 1979. £1.5m Bills at 13½% due 8 February 1980. Applications £10.5m. Total outstanding £3.5m.

SUFFOLK COUNTY COUNCIL
£4m Bills issued 6 November, due 5 February 1980 at 13½%. Applications totalled £36m. £11m Bills outstanding.

SILVER

Silver was fixed 3.6p an ounce higher in the London bullion market yesterday at 800.6p. U.S. cent equivalents of the fixing levels were: spot 1,574.0c, up 21.0c; three-month 1,710.4c, up 20.2c; six-month 1,744.5c, up 22.0c; and 12-month 1,782.0c, up 17.5c. The metal opened at 793-803p (1,660-1,680c) and closed at 795-803p (1,575-1,590c).

SILVER per troy oz.	Bullion fixing price	+ or −	L.M.E. p.m. Unoffic'l	+ or −
Spot	800.60p	+3.6	802.0p	−3.8
3 months	817.80p	+4.5	818.5p	+3.75
6 months	835.30p	+4.0	—	......
12months	856.30p	+3.5	—	......

LME—Turnover 189 (113) lots of 10,000 oz. Morning: Three months 822, 23, 24, 25, 23, 22, 21. Afternoon: Three months 819, 20, 18, 18, 20, 21, 21.5, 22, 24, 25, 24, 23, 21, 20, 18, 17. Kerbs: Three months 818, 19, 16, 15.5.

COCOA

During an active day futures moved over a £35.00 range trading to the highs on further concern over Ivory Coast stockpiling of cocoa and then weakening on profit taking and currency considerations to close virtually unchanged to Tuesday evening. Producers again made limited sales on a scale up basis but consumers were in the main withdrawn, reported Gill and Duffus.

International Cocoa Organisation (U.S. cents per pound): Daily price Nov. 6: 133.27 (128.73). Indicator price Nov. 7: 15-day average 131.74 (132.07); 22-day average 135.11 (135.88).

COCOA	Yesterd'y's Close	+ or −	Business Done
Dec.	1452-1455	+3.0	1465-34
March	1455-1457	+0.5	1470-35
May	1474-1476	+1.5	1488-55
July	1494-1498	......	1505-1476
Sep.	1514-1517	−3.0	1527-1500
Dec.	1531-1540	+6.5	1540-25
March	1540-1570	−7.5	—

Sales: 4,070 (6,265) lots of 10 tonnes.

COFFEE

London coffee futures opened £5 higher in mixed dealings before overhead resistance generally outweighed early buying as prices soon fell back to unchanged levels, reported Drexel Burnham Lambert. The afternoon was very disappointing, but the market eased lower towards the close on commission house selling reflecting stronger sterling to finish with losses of up to £18 on the day.

COFFEE	Yesterdays Close	+ or −	Business Done
	£ per tonne		
November	1760-81	−8.5	1804-76
January	1810-12	−8.5	1827-08
March	1753-54	−17.0	1779-53
May	1723-25	−18.0	1749-25
July	1710-15	−17.5	1753-20
Sept.	1700-05	−17.5	—
November	1690-99	−15.5	—

Sales: 3,210 (4,703) lots of 5 tonnes.

ICS indicator prices for November 6 (cents per pound): Other Mild Arabicas 206.00 (205.00). Robustas ICA 1976 175.00 (same). ICA 1968 175.25 (same). Unwashed Arabicas 212.00 (same). Comp. daily ICA 1968 198.42 (198.08).

GRAINS

LONDON GRAIN FUTURES—Grains opened 25p higher on wheat and 20p higher on barley after a fairly active start to the session where good buying interest was seen. Sellers at 20-25p up eased values considerably to close 10-30p down on wheat and 15-30p down on barley. New crops remained unchanged on wheat to 10p higher on barley, Acli reported.

Mnth	WHEAT Yesterd'ys close	+ or −	BARLEY Yesterdys close	+ or −
Nov.	95.50	−0.30	92.80	−0.50
Jan.	99.25	−0.15	96.50	−0.25
Mar.	103.20	−0.10	100.40	−0.15
May	106.50	−0.15	103.65	−0.20
Sept.	98.60	......	95.55	+0.10

Business done: Wheat: Nov. 96.05-95.70, Jan. 99.65-99.25, March 103.60-103.20, May 106.90-106.50, Sept. no trade. Sales: 131 lots of 100 tonnes. Barley: Nov. 93.20-92.70, Jan. 96.95-96.55, March 100.75-100.50, May 104.00-103.65, Sept. 95.50-95.45. Sales: 162 lots of 100 tonnes.

IMPORTED—Wheat: CWRS No. 1 13½ per cent unquoted: U.S. Dark Northern Spring No. 2 14 per cent Nov. 106.05, Dec. 108.50 transhipment East Coast; U.S. Hard Winter 13½ per cent Nov. 106.25 transhipment East Coast, Dec. 108.50 direct shipment; EEC unquoted. Maize: U.S./French Nov. 116.00, Dec. 117.00 transhipment East Coast: South African White unquoted; South African Yellow Dec. 80.00. Barley: English feed fob Nov. 98.50, Dec. 99.00, Jan.-March 103.00 East Coast. Sorghum: U.S./Argentine unquoted. Oats: Scandinavian feed unquoted.

HGCA—Location ex-farm spot prices. Feed barley: Eastern 91.70, E. Midlands 91.20, N. East 92.00, Scotland 91.90. Other milling wheat: Eastern 97.00.

The UK Monetary Coefficient for the week beginning Monday, November 12, is expected to increase to 1.121.

COTTON

LIVERPOOL—Spot and shipment sales amounted to 354 tonnes, bringing the total for the week so far to 685 tonnes. Improved offtake followed additional demand from various sources. Spinners were interested in securing fresh supplies of North American and African qualities.

★

HIDES—Leeds: weaker except heavy ox and light-weight. Second clear Ox 31-35.5 kilos, 48.0p a kilo (same); 26-30.5 kilos, 56.2p (same); 22-25.5 kilos, 57.0 (same). Light cows 56.0p (same).

RUBBER

The London physical market opened steadier, with little interest at higher levels and closed on an easier note. Lewis and Peat reported a Malaysian godown price of 285 (280) cents a kg (buyer, December).

No. 1 R.S.S.	Yesterd'ys Close	Previous Close	Business Done
Dec.	66.00-68.00	66.10-68.20	68.00
Jan.	66.00-66.90	66.40-66.90	—
Jan-Mar	67.20-67.25	67.80-67.85	68.20-67.00
Apr-Jne	68.50-69.00	70.05-70.10	70.25-68.80
Jly-Sept	71.05-71.10	72.25-72.30	72.60-71.10
Oct-Dec	73.20-73.30	74.70-75.00	74.80-73.30
Jan-Mar	75.70-76.00	77.10-77.40	77.10-76.00
Apr-Jne	78.50-78.55	79.65-79.75	79.80-78.50
Jly-Sep	80.70-80.75	82.00-82.20	80.70

Sales: 428 (330) at 15 tonnes, 2 at 5 tonnes.

Physical closing prices (buyer) were: Spot 62.50p (63.50p); Dec. 66.75p (67.25p); Jan. 67.25p (67.75p).

SOYABEAN MEAL

The market opened with losses of 50p-£1.00 on stronger sterling at the opening levels but found support from commission house short covering, reported T. G. Roddick. Further selling late in the day put additional pressure on the market and this was met with good commercial buying. Prices finished with losses of £1.50.

	Yest'rd'y Close	+ or −	Business Done
	£ per tonne		
December	120.10-20.5	−1.25	120.80-20.10
February	122.50-22.5	−1.5	124.00-22.30
April	123.40-23.5	−1.4	124.00-23.40
June	124.20-24.7	−1.5	124.10
August	124.00-27.5	−1.05	—

Sales: 89 (133) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE (raw sugar): £155.0 (£158.0) a tonne cif for Nov.-Dec. shipments. White sugar daily price was £184.0 (£186.0).

The early weakness of the U.S. dollar caused the market to open some 150-200 points below overnight levels. Good support was uncovered at the lows and most of the losses were soon recovered. Thereafter prices gained a further 100 points but these were lost by the close, reported C. Czarnikow.

Sugar Pref. Comm. Con.	Yesterday's Close	Previous Close	Business Done
	£ per tonne		
Dec.	171.00-71.50	175.85-74.00	175.75-70.00
March	175.75-75.80	178.80-78.00	180.10-75.00
May	175.85-75.95	179.00-79.25	180.25-75.80
Aug.	176.00-76.25	179.25-79.40	180.50-76.50
Oct.	176.90-77.10	180.80-80.25	179.75-77.15

Sales: 5,336 (6,597) lots of 5 tonnes.

Tate and Lyle ex-refinery price for granulated basis white sugar was £304.95 (same) a tonne for home trade and £242.0 (£242.50) for export.

International Sugar Agreement (U.S. cents per pound fob and stowed Caribbean port). Prices for November 6: Daily price 13.16 (13.44); 15-day average 12.74 (12.69).

LONDON WHITE SUGAR—Close (in order buyer, seller, business, sales). Feb. 184.00, 184.50, 184.50-184.00, 52; April 186.00, 186.50, 187.00, 15; July 187.00, 192.00, nil, nil; Sept. 190.00, 194.00, nil, nil; Nov. 191.00, 193.00, 190.00, 1; Feb. 196.00, 200.00, nil, nil; April 196.00, 206.00, nil, nil. Sales: 68.

WOOL FUTURES

LONDON GREASY WOOL—Close (in order buyer, seller only). Dec. 216.0, 238.0; March-May-July-Oct.-Dec.-March-May 232.0, 242.0.

NEW ZEALAND CROSSBREDS—Close (in order buyer, seller only). Dec. 206.0, 212.0; March-May-July-Oct.-Dec.-March-May 204.0, 210.0.

SYDNEY GREASY WOOL—Close (in order buyer, seller, business, sales). Micron contract: Dec. 435.0, 437.0, 438.0-430.0, 34; March 454.0, 455.0, 457.0-447.5, 173; May 463.0, 464.0, 446.0-457.0, 132; July 468.0, 469.0, 470.5-463.0, 81; Oct. 466.0, 468.5, 470.0-466.0, 48; Dec. 466.0, 467.0, 470.5-464.0, 43; March 472.0, 479.0, 472.0-466.0, 22. Sales: 533.

PRICE CHANGES

In tonnes unless otherwise stated.

	Nov. 7 1979	+ or −	Month ago
Metals			
Aluminium	£750/70	......	£750/60
Free Mkt (cif)	$1750/1800		$1870/90
Copper			
Cash w'bar	£956	−1	£956
3 mths	£973.5	−2.25	£938.25
Cash Cathode	£936.5	−3.5	£921.5
3 mths	£954	−2	£923
Gold troy oz.	$395.5	+11.5	$412
Lead cash	£567	+10.5	£516
3 mths	£563.5	+9	£499.5
Nickel	£3,185.22		£3,060.62
Freemkt (cif) (lb)	285/290c		265/280c
Platin'm'try oz	£186.5		£181.0
Free mkt	£247.30	+6.7	£258.85
Quicksil'ver	$305/315		$325/340
Silver troy oz.	800.50p	+3.5	779.70p
3 months	817.80p	+4.3	798.80p
Tin Cash	£7,580	−110	£7,550
3 mths	£7,455	−60	£7,195
Tungsten	£142.72		£142.36
Wolfrm 22.04 cif	$140/144		$141/148
Zinc cash	£356.5	+5	£333.5
3 months	£345.5	+4	£342.25
Producers	$780		$780
Oils			
Coconut (Phil)	$932.5r	+7.5	$900.0
Groundnut	‡		‡
Linseed Crude	£417.0	+4	£405
Palm Malayan	$620.0s		$620.0
Seeds			
Copra Philip	$610.0r	+5	$605
Soyabean (U.S.)	$286.50t	−0.4	$289.95
Grains			
Barley Futures	£96.50	−0.25	£97.80
Maize			
French No3AM	£116.0		£111.0
Wheat			
No. 1 Red Spg.	‡		
No2HardWint	£106.25		£102.0
Eng. Milling t	‡		‡
Other commodities			
Cocoa ship t	£1,640	+4	£1,605
Future Mar.	£1,456	+0.5	£1,517
Coffee F't'r Jan.	£1,811	−8.5	£1,866
Cotton A.Index	79.25c	−0.15	78.00c
Rubber (kilo)	62.50p	−1	62.25p
Sugar (Raw)	£155.0	−5	£136.0
Woolt'ps 64s kl	288p kilo		288p

* Nominal. † Newcrop. ‡ Unquoted. p Oct.-Nov. q Nov. r Nov.-Dec. s Dec. t Jan. x Indicator. § Buyer.

MEAT/VEGETABLES

MEAT COMMISSION — Average fatstock prices at representative markets on November 7. GB cattle 74.61p per kg.l.w. (+0.58); UK sheep 128.3p per kg.est.d.c.w. (−3.6); GB pigs 74.8p per kg.l.w. (+1.0). England and Wales: Cattle numbers up 1.3 per cent average price 73.64p (+0.65); Sheep numbers up 9.2 per cent average price 129.4p (−3.3); Pig numbers up 0.8 per cent average price 74.9p (+1.0). Scotland: Cattle numbers down 0.8 per cent average price 77.39p (+0.45); Sheep numbers up 78.6 per cent average price 118.6p (+1.0); Pig numbers no change average price 69.8p (+1.0).

SMITHFIELD—pence per pound. Beef: Scotch killed sides 60.0 to 65.0. Eire hindquarters 67.0 to 70.0, forequarters 44.0 to 45.0. Veal: Dutch hinds and ends 98.0 to 106.0. Lamb: English small 54.0 to 58.0. *English small 60.0, medium 52.0 to 58.0, heavy 42.0 to 50.0. Scotch medium 48.0 to 56.0, heavy 42.0 to 50.0. Imported frozen—NZ PL 51.0 to 52.0. Pork: English, under 100 lbs 44.0 to 50.0, 100-120 lbs 42.0 to 49.0, 120-160 lbs 41.0 to 48.0. Hares: English (large) (each) 160.0 to 246.0. Partridges: Young (each) 150.0 to 210.0. Pheasants: Best (per brace) 318.0 to 450.0. *Special quotation—very high quality produce in limited supply.

COVENT GARDEN—Price in sterling per package except where otherwise stated: Imported produce: Oranges—S. African: Valencias 4.00-5.30; Brazilian: 3.30-4.80; Spania: Navelinas 4.10-5.80. Satsumas—Spanish: 115/189s 3.20-3.80. Clementines—Spanish: 4.00-4.50; Moroccan: 4.40-4.60. Lemons—Italian: 100/150s 5.60-5.80; Cyprus: 11 kilos 95/120 4.80-5.20, 5 kilos 45/55 2.50; Turkish: 100/120s 5.00-5.20; Spanish: 6 kilos 2.60-2.70. Grapefruit—Jamaican: 2.00; Jaffa: 3.30-4.40; Mexican: Pink 36/48s 5.50; Cyprus: 3.00-3.60; Cuban: 2.20-2.50. Apples—French: Golden Delicious, boxes 40lb 138/175 3.20-4.50; 20lb 1.20-2.60; jumble pack 31lb 2.00-2.40; Granny Smith 20lb 2.30-2.80; Hungarian: Starking 43lb 138s 5.50. Pears—Italian: Williams per pound 0.14-0.13. Grapes—Italian: Black 2.00. Italia per pound 0.25; Spanish: Almeria 1.40-2.00. Black 2.50-2.60. Bananas—Jamaican: Per 28lb 3.90. Avocados—Canary, 4.00; Israeli: 3.60-4.00. Melons—Spanish: Green 4.50-4.80, Yellow 4.50, 15 kilos Green 8/15s 7.25-7.50. Onions—Spanish: 4.50-4.70; Dutch: 2.80; Polish 3.20. Tomatoes—Dutch: 3.80; Spanish: 3.60-4.40; Jersey: 2.60-2.80. Pomegranates—Spanish: Trays 3.00-3.80. Cucumbers—Canary: 10/12s 1.80-2.20; Spanish: 1.60. Dates—Tunisian: 30s per box 0.38-0.42; Californian: Per pound 0.30. Chestnuts—Italian: 10 kilos 3.50-6.00; Spanish: 5 kilos 2.50-4.00; French: 10 kilos 3.20. Walnuts—Grenoble: Per pound 0.38; Chinese: Per pound Dry 30mm 0.40. Filberts—Per pound 0.38-0.40. Brazils—LWM Per pound 0.28-0.30, Medium 0.24-0.26. Pecan Nuts—Per pound 0.65. Almonds—Per pound semi-soft 0.50. Figs—Smyrna: Per packet 48 x ½lb 0.20. Nuts—Mixed per pound 0.33-0.38. English produce:

AMERICAN MARKETS

NEW YORK, November 7.

THE THREAT of Iranian oil production being shut off is still in the market, with a strengthening influence on prices after the initial weakness. Maize and soyabeans finished fractionally higher, while wheat was mixed over a narrow range. Copper was very strong on good commission house support. Cocoa closed sharply higher on reports of rain damage to the crop in Ghana. Coffee was fractionally higher on light volume. Sugar is consolidating its recent gains and finished moderately higher. Cotton staged a good rally on indications that stocks certified for delivery in December may decline to potentially dangerous levels. The entire livestock complex was limit, or near-limit, up on strong general, pre-holiday buying, Heinold reported.

Coffee—"C" Contract: Dec. 213.50-213.70 (213.38), March 197.25-197.75 (197.67), May 191.00, July 190.00, Sept. 189.75-190.00, Dec. 186.00-186.50, March 183.00.

Copper—Nov. 93.60 (92.50), Dec. 94.40-94.60 (93.40), Jan. 94.70, March 95.00-95.10, May 95.70-95.80, July 95.90, Sept. 96.30, Dec. 96.70, Jan. 96.80, 96.90-97.40, Sept. 97.60. Sales: 6,500.

*Gold—Nov. 391.80 (392.50), Dec. 395.50-396.50 (397.50), Feb. 406.00-407.40, April 416.00-417.50, June 426.20, Aug. 435.00, Oct. 444.00, Dec. 452.40, Feb. 460.70, April 468.80, June 476.80, Aug. 485.00. Sales: 31,000.

*Platinum — Nov. unquoted (unquoted). Dec. unquoted (unquoted), Jan. 522.00-524.50, April 526.00-528.00, July 533.10, Oct. 540.60, Jan. 545.60, April unquoted. Sales: 1,974.

Potatoes (round whites)—Nov. 57.8-59.4 (59.6), March 73.5 (74.9), April 89.5-90.2, May 99.2-100.0. Sales: 612.

Tin—Unquoted (764.00).

¶Silver—Nov. 1658.0 (1689.0), Dec. 1670.0-1686.0 (1687.0), Jan. 1695.0, March 1730.0-1748.0, May 1758.7, July 1782.7, Sept. 1806.7, Dec. 1842.7, Jan. 1856.0, March 1880.0, May 1904.0, July 1928.0, Sept. 1952.0. Sales: 10,000. Handy and Harman bullion spot 1679.0 (1642.0).

CHICAGO, November 7.

Lard—Chicago loose 23.25 (same). New York prime steam unavailable.

Live Cattle—Dec. 69.80-69.95 (68.67-69.87), Jan. 71.70-71.75 (70.50-71.72), Feb. 72.80-72.95, April 73.70-73.90, June 74.80-74.75, Aug. 73.90, Oct. 72.65, Dec. 73.30. Sales: 24,940.

Live Hogs—Dec. 40.35-40.12 (39.30-40.22), Feb. 42.65-42.55 (41.52-42.80), April 40.90-40.80, June 43.30-43.85, July 44.80-44.60, Aug. 43.50, Oct. 42.55, Dec. 43.25, Feb. 44.60. Sales: 9,381.

‡‡Maize—Dec. 262¼-262¼ (261), March 279¾-279¼ (278¼), May 290¼-290¼, July 296¼-296, Sept. 299-300, Dec. 303½.

Pork Bellies—Feb. 50.90 (48.90-50.90), March 51.12 (49.12-51.12), May 52.37, July 53.35, Aug. 52.00. Sales: 7,124.

Silver—Nov. 1662.0 (1675.0), Dec. 1678.5 (1692.0), Feb. 1712.0, April 1740.0, June 1766.0, Aug. 1780.0, Oct. 1805.0, Dec. 1830.0, Feb. 1856.0, April 1882.0, June 1908.0, Aug. 1933.0, Oct. 1958.0, Dec. 1983.0, Feb. 2008.0, April 2033.0, June 2058.0, Aug. 2083.0.

‡Soyabeans—Nov. 645-644½ (644), Jan. 667½-666½ (665½), March 691-690, May 711-710, July 727, Aug. 734, Sept. 737, Nov. 747-747½.

‖Soyabean Meal—Dec. 183.00-182.90 (183.10), Jan. 185.50-185.00 (185.70), March 189.00-188.30, May 192.00-191.20, July 195.70, Aug. 198.50, Sept. 201.00, Oct. 203.00, Dec. 205.00.

Soyabean Oil — Dec. 26.15-26.10 (25.73), Jan. 25.95-25.85 (25.57), March 25.74-25.65, May 25.70-25.65, July 25.60-25.75, Aug. 25.75, Sept. 25.80, Oct. 25.85-25.90, Dec. 26.05, Jan. 26.05-26.15.

‡Wheat—Dec. 421-422 (417¾), March 440½-441½ (439¼), May 445-444, July 440-441, Sept. 451-452, Dec. 466.

WINNIPEG, November 7. §Barley—Dec. 117.50 (117.00-117.40), March 115.30 (115.00), May 114.10, July 113.10, Oct. 112.50.

§Wheat—SCWRS 13.5 per cent protein content cif St. Lawrence 245.01 (same).

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. ‖ $ per short ton (2,000 lbs). § $Can. per metric ton. §§ $ per 1,000 sq. feet. ‡ Cents per dozen.

EUROPEAN MARKETS

ROTTERDAM, November 7.

Wheat—U.S. No. 2 Dark Hard Winter, 13.5 per cent, Dec. $208, Jan. $209, Feb. $211, March $213. U.S. Hard Winter ordinary unquoted. U.S. No. 2 Red Winter Dec. $191, Jan. $197, Feb. $200, March $202. U.S. No. 2 Northern Spring, 14 per cent, Nov. $201, Dec. $207, Jan. $215, Feb. $219.50.

Maize—U.S. No. 3 Corn Yellow afloat $138, Nov. $138.50, Dec. $140.50, Jan.-March $147.50, April-June $150.50, July-Sept. $154, Oct.-Dec. $157.

Barley—1/2 Canadian Feed/U.S. No. 3 Nov. $167.50, Nov.-Dec. $167.50.

Soyabeans—U.S. No. 2 Yellow Gulfports Oct. $270, Nov. $268.50, Dec. $274.25, Jan. $280.95, Feb. $289.25, March $291, April $295.70, May $296, June $300.30, July $301, Aug. $303.70, Sept. $304.70, Oct.-Nov. $304.50, Dec. $310. Brazil Yellow Faq unquoted. Argentine May $290, June-July $290.50.

Soyameal—44 per cent protein U.S. Nov.-March $241 traded, afloat $236, Nov. $238, Nov.-March $241, April-Sept. $249 sellers. Brazil Pellets afloat $245. April-Sept. $250.50.

PARIS, November 7.

Cocoa (FFr per 100 kilos)—Dec. 1270-1300, March 1282-1283, May 1306-1315, July 1310, Sept. 1330-1360, Dec. 1330. Sales at call 7.

Sugar (FFr per 100 kilos)—Dec. 1590-1610, March 1625-1629, May 1646-1649, July 1650-1670, Aug. 1650-1675, Oct. 1655-1685, Nov. 1650-1685, Dec. 1665-1700. Sales at call 8.

INDICES

FINANCIAL TIMES

Nov. 6	Nov. 5	M'nth ago	Year ago
291.54	292.30	303.25	256.87

(Base: July 1, 1952=100)

MOODY'S

Nov. 6	Nov. 5	M'nth ago	Year ago
1135.5	1134.9	1187.7	985.5

(December 31, 1931=100)

DOW JONES

Dow Jones	Nov. 6	Nov. 5	Month ago	Year ago
Spot	400.99	400.47	419.73	394.81
F'tur's	407.55	405.84	429.54	392.32

(Average 1924-25-26=100)

REUTERS

Nov. 7	Nov. 6	M'nth ago	Year ago
1685.1	1686.9	1658.7	1533.2

(Base: September 18, 1931=100)

LONDON STOCK EXCHANGE

Government stocks demoralised by money growth trend but leading equities slowly regain early losses

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Oct. 22	Nov. 1	Nov. 2	Nov. 12
Nov. 3	Nov. 15	Nov. 16	Nov. 26
Nov. 19	Nov. 29	Nov. 30	Dec. 10

* "New time" dealings may take place from 9.30 am two business days earlier.

*Demoralised by October's acceleration in the rate of monetary growth and the accompanying possibility of a rise in Minimum Lending Rate, the market in Government stocks was vulnerable and sharply lower again yesterday. A substantial across the board mark-down at the opening failed to deter sizeable selling and, although the pressure lifted later, it returned after the official close of business.

Covering of short commitments activated the rally, measured by half-point recoveries in selected stocks, but immediately the business was completed, the market weakened again. After-hours' news of a U.S. Prime Rate increase to 15¼ per cent set the seal on a thoroughly depressing session which ended with long-dated issues registering falls to 1¾ and the shorts sustaining fresh losses to ¾.

Equity markets, however, managed to regain some composure as the day progressed and the majority of leading shares, after opening 3 or 4 pence lower, staged a modest technical recovery to close only a shade lower on balance. This was reflected in the FT 30-share index, which recorded a loss of 4.1 at 10 am before closing only 0.4 down on balance at 418.1. Many of the relatively sharp falls in secondary issues were a reflection of a sharp early mark-down following the previous day's swift late reversal in the leaders.

Trading conditions in all equity sectors were again extremely thin and sensitive with sentiment not being helped by the situation in Iran, particularly regarding oil supplies; it was confirmed late yesterday afternoon that Iran had cut off oil shipments to the U.S.

The continuing slide in values raised fresh doubts about the success of this week's British Petroleum issue, although BP appeared reluctant to fall too far and after easing to 358p rallied to close 4 off on balance at 360p; the offer for sale price is 363p, payable in two instalments.

South African Gold shares were again the only sector to relieve the gloom, prices here responding further to a fresh rise in the bullion price. Some useful gains were reflected in the Gold Mines index which advanced 9.2 more to 219.3, after Tuesday's rise of 10 points.

Demand for Traded options subsided and only 439 contracts were arranged, the lowest since late September. EMI, in receipt of an improved offer from Thorn, recorded 156 trades, while BP were again relatively active with 87.

Discounts fall

The further slide in gilts made for another dull day in Discount Houses with prices easing throughout. Seccombe Marshall and Campion declined 10 to 200p, while Gerrard and National relinquished 9 to 216p and Cater Ryder gave up 8 at 295p. Clive, 75p, and Alexanders, 223p, lost 5 apiece. With the exception of Barclays, which picked up 7 to 382p, the major clearers continued to trade nervously and lower awaiting the expected increases in base lending rates. Midland closed a couple of pence off at 318p, after 314p. Dearer credit worries continued to unsettle Hire Purchases. Lloyds and Scottish cheapened 3 further to 107p, while Provident Financial, 82p, UDT, 36p, and Wagon Finance, 31p, all gave up 2. Elsewhere, Hambros lost 10 to 208p.

Lloyds brokers saw a continuation of Tuesday's late weakness and closed with fresh falls ranging to 8. Stewart Wrightson lost that much to 160p and C. E. Heath declined 7 to 175p, while Willis Faber dipped 5 to 200p and Minet eased 4 to 88p. Elsewhere, GRE fell 8 to 208p as did Pearl to 230p. Equity and Law shed 12 to 170p.

Scattered support at lower early levels lifted leading Breweries from lower opening levels and Whitbread closed a net 2 better at 118p on further thoughts on the preliminary statement. Allied ended unchanged at 84p, after 83p. Regional issues again lacked support and were marked sharply lower. Marston Thompson lost 6 to 101p and Youngs fell 7 to 168p. Davenports reacted on profit-taking to close 3 down at 119p, while Wolverhampton and Dudley eased 5 to 275p. Distillers attracted some "cheap" buying at 214p and ended only a penny lower on balance at 317p, but Tomatin remained friendless at 171p, down 5.

Buildings became worried by the possibility of a further increase in the mortgage rate in the New Year. House-building shares were vulnerable with Gough Cooper 5 lower at 75p, Barratt Developments 4 down at 110p, Federated Land 2 off at 85p and M. P. Kent 6 cheaper at 78p. Elsewhere, Blue Circle encountered persistent selling and fell 10 to 228p, while R.M.C. eased 3 to 129p. Marshalls (Halifax) remained on offer at 168p, down 5, as did Tarmac, 3 cheaper at 168p. B.P.B., half-yearly results due on November 28, lost 2 to 141p. A similar fate befell Contracting and Construction issues with Taylor Woodrow 5 off at a 1979 low of 343p and Costain 4 cheaper at 136p. Brown and Jackson encountered further profit-taking and declined 10 to 170p, while Tilbury shed 8 to 215p and Newarthill cheapened 6 to 172p.

Down to 321p initially, ICI rallied slowly to 327p before meeting with further offerings and closing 4 cheaper on balance at 326p. Fisons gave up 6 to a 1979 low of 227p. Consideration of the interim results left Carless Capel a penny cheaper at 59p, after 57p. Allied Colloids, despite the chairman's denial of bid talks, attracted renewed speculative support and rose 6 to 146p.

Readicut disappoints

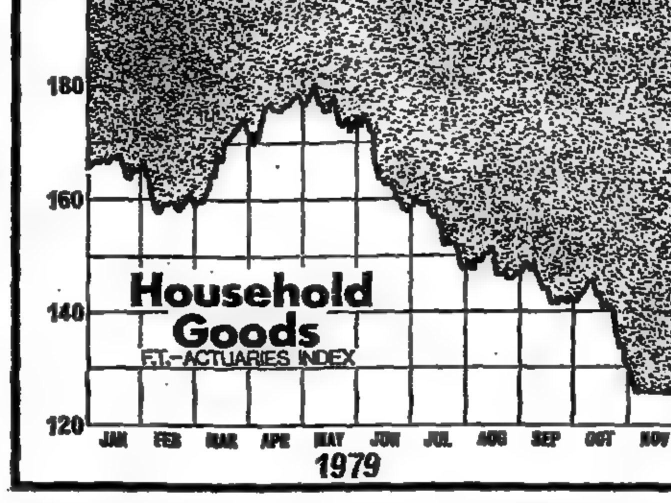
Still on talk that Lonrho will soon launch a bid for the outstanding shares in House of Fraser it does not already own, Fraser moved up 3 more to 118p. However, other leading Stores drifted lower on renewed small selling and lack of support. British Home, 226p, and Gussies "A," 348p cheapened 5 and 4 respectively. Elsewhere, secondary issues were notable for a reaction of 3 to 31p in Readicut following the sharp contraction in interim profits. Home Charm came on offer at 124p, down 10, and H. Samuel "A" lost 13 to 140p. Stylo gave an erratic performance in Shoes, reacting to 150p initially on renewed selling before rallying late to finish a net 5 harder on balance at 165p.

A general Press concensus that Thorn had paid a high price to secure EMI's agreement for its increased share-exchange bid terms prompted a further sharp reaction in Thorn's shares, which closed 10 down on the day at 326p, after earlier touching a 1979 low of 316p. Meanwhile, EMI moved between extremes of 144p and 139p before closing a penny easier at 142p. Elsewhere in Electricals, Decca, 315p, and the "A," 285p, lost 20 and 13 respectively, while other double-figure falls occurred in Automated Security, 165p, and United Scientific, 302p. Kode lost 8 more to 183p.

Inclined easier initially, the Engineering leaders picked up to close a little better on balance, Vickers ending a net 2½ dearer at 111p, after 106p, and Tubes, 4 up at 276p, after 270p. In contrast, losses were widespread and sometimes fairly substantial throughout secondary issues. Hall Engineering encountered selling at 125p, down 8, while fresh offerings left Matthew Hall 6 lower at 152p. Further consideration of the annual results prompted a reaction of 4 to 166p in Martonair and Newman Tonks eased a penny more to 64p on the proposed £2m rights issue. Babcock reacted 6 to 108p, while similar falls were sustained by Bullough, 184p, B. Elliott, 204p, APV, 157p, and Birmingham Mint, 173p. Capper Neill, however, continued to reflect the encouraging half-yearly statement and put on 1½ further to 53½p.

J. Sainsbury touched 265p in initial response the better-than-expected half-yearly results, but subsequently drifted back to close unchanged on the day at 262p. Other leading Foods encountered early selling which left Associated Dairies 4 cheaper at 142p and Tesco a penny off at 61p. Rowntree Mackintosh remained friendless and cheapened 4 more to a 1979 low of 160p. The increase in the price of sugar failed to benefit British Sugar, 4 off at 150p. Among secondary Foods, Hillards came on offer and, in a thin markt, fell 19 to 165p.

Further nervous offerings left Ladbroke 6 lower at 164p pending the result of the London casino licence appeal. Brent Walker shed 3 to 88p ahead of today's interim results, but Grand Metropolitan found a little late support and hardened a penny to 128p.



Reed Int. better

News that Reed International has agreed to sell its Canadian offshoot's forest products assets in Ontario to Great Lakes Forest Products for around £33m prompted a gain of 4 to 170 in Reed. Other miscellaneous industrial leaders drifted lower for most of the day but rallied after-hours to close mixed. Bowater finished 5 to the good at 160p, while Beecham closed a couple of pence dearer at 126p, after 122p. Glaxo edged forward 2 to 400p, after 397p. Elsewhere, secondary issues provided a lengthy list of sharp falls with Henry Boot an isolated firm exception at 112p, up 4, following the return to profitability at the interim stage. Feedex, however, fell 4 to 35p, after 34p, in reaction to the contraction in first-half profits and I.C. Gas dipped 10 to 578p on profit-taking after the recent good rise on North Sea-oil considerations. Still reflecting the new Boardroom rift, Wilkinson Match softened 2 more to 140p, while Clement Clarke lost 5 more to 115p, after 110p, on further consideration of the disappointing mid-term figures. Speculative counter Booker McConnell fell 14 to 259p and Sothebys declined 17 to 350p.

The chairman's optimistic remarks at the annual meeting failed to stimulate Zetters, which eased 3 to 62p. Elsewhere in the Leisure sector, Horizon Travel met with selling and slipped 11 to 203p, while Management Agency and Music cheapened 6 to 124p.

Trading statements provided some illuminating features in an otherwise drab Motors sector. Frank Gates added a couple of pence at 38p following the higher interim profits and directors' dividend intentions, while Hartwells, 2 off ahead of the announcement, recovered to close that much better at 68p after the half-time results. Other Distributors again lacked support and recently firm Godfrey Davis and and 120p respectively. Harold Caffyns both gave up 4, to 106p, Perry eased 3 further to 121p, while Heron dipped 2¼ to 34½p. Among Components, Flight Refuelling, a volatile market of late declined 7 to 163p; the interim results are expected on Wednesday. Dowty gave up 6 to 252p and Lucas cheapened 2 to 202p. Airflow Streamlines, on the other hand, rose 2 to 46p on the doubled interim profits.

The upward pressure on interest rates continued to take its toll on secondary Property issues where falls stretched into double figures. Warnford Investments gave up 15 at 385p in a restricted market, while Allnatt (London), half-yearly results due tomorrow, shed 10 more to 148p. Laing Properties A encountered persistent selling and dropped 8 to a 1979 low of 114p, while Percy Bilton and Centrovincial Estates shed 6 apiece to 186p and 110p respectively. Berkeley Hambro came on offer at 164p, down 7, as did Land Investors, 4 cheaper at 39p. Despite the chairman's optimistic statement accompanying the interim dividend announcement, Mountview Estates stayed at 114p. Rush and Tompkins eased 2 to 108p in spite of the half-yearly profits increase.

BP

Press comment on the merits of the Government's share sale prompted a fair amount of early selling of British Petroleum which finally shed 4 to 360p, after 358p. Other Oils remained subdued, but a firmer tendency developed in the later dealings and initial falls were reduced or sometimes erased. Shell finished at 326p. Oil Exploration fell to only a couple of pence cheaper 570p on profit-taking before a renewed speculative flurry lifted the price to 584p for a gain of 6 on balance. Prospective merger partner Lasmo, at 304p, eventually halved an initial fall of 8. Royal Dutch traded lower throughout and fell 1½ points to £34¼.

Despite the increased annual profits, substantial dividend hike and 1-for-7 scrip issue, United City Merchants still disappointed the market and finished 7 lower at 30p.

Trusts again closed with widespread losses. London Trust Deferred fell 6 to 100p after the interim results, while Atlantic Assets slipped 6 to 124p, as did Continental and Industrial, to 178p, and Rothschild, to 231p. In Financials, London Merchant gave up 7 more at 107p, while Robert Kitchen Taylor fell 10 to 130p in a thin market. Dalgety shed a couple of pence to 255p following the chairman's annual statement, but Majedie firmed slightly to 73p on the annual results.

Despite annual profits in line with expectations and the forecast of a reasonably encouraging outlook, Common Brothers closed 5 lower at 235p. Other Shippings succumbed to further pressure and Furness Withy fell 7 to 225p, while Walter Runciman gave up 3 at 83p.

Golds higher again

South African Golds moved substantially higher again as continuing concern over energy supplies and the general situation in Iran prompted a further $11.50 rise in the bullion price to $395.50 an ounce, a three-day gain of $22.75.

The Gold Mines index advanced 9.2 more to 219.3, an improvement of almost 20 points in the past two days.

Share prices were marked up at the outset owing to renewed overnight American support. Thereafter, they edged higher in relatively quiet trading following modest Johannesburg and Continental enquiry before bounding ahead in the after-hours' trade on strong U.S. buying.

Among the heavyweights, rises ranged to a point as in West Driefontein, £28¼, Hartebeest £19½ and Western Holdings, £[illegible], while improvements of a half point were common to Western Deep, £11¼, and Free State Geduld, £16.

In the medium priced issues, Winkelhaak were particularly favoured and rose 64 more to 955p—a two-day gain of almost 150—while Southvaal put on [illegible] to 812p.

South African Financials rose sharply in the after-hours' trade along with Golds. Anglo American Corporation were well supported all day and put on [illegible] more to 430p while GFSA and "Amgold" gained a point apiece to £23 and £27¼, respectively.

The continuing weakness of the equities depressed London-based Financials. A notable exception, however, were Gold Fields which added 4 to 306p.

Australians rallied in the after-hours' trade after an uncertain start. Diamond exploration issues reacted to profit-taking, which left Northern Mining 5 cheaper at 75p and Ashton Mining 4 off at 89p. Further speculative support lifted Paringa 1½ more to a 1979 high of 44½p.

Dealers reported a good deal of enquiry for Cluff Oil Australia; dealings commence today in the 50 cents shares, which are [illegible] cents paid.

FINANCIAL TIMES STOCK INDICES

	Nov. 7	Nov. 6	Nov. 5	Nov. 2	Nov. 1	Oct. 31	A year ago
Government Secs.	66.60	67.44	68.17	68.61	69.31	69.36	[illegible]
Fixed Interest	67.48	68.74	68.88	69.91	70.31	70.28	[illegible]
Industrial	418.1	418.5	421.0	431.7	436.7	437.4	[illegible]
Gold Mines	219.3	210.1	200.1	201.3	203.2	202.0	[illegible]
Ord. Div. Yield	7.96	7.95	7.92	7.74	7.66	7.64	[illegible]
Earnings, Yld. % (full)	19.19	19.17	19.09	18.65	18.47	18.43	[illegible]
P/E Ratio (net) (*)	6.49	6.48	6.45	6.60	6.67	6.68	[illegible]
Total bargains	16,481	19,548	19,989	19,794	18,933	16,870	[illegible]
Equity turnover £m	—	103.22	99.54	116.81	98.88	101.90	[illegible]
Equity bargains total	—	15,048	16,400	15,974	17,789	13,611	[illegible]

10 am 414.4, 11 am 415.1, Noon 414.9, 1 pm 415.1, 2 pm 415.6, 3 pm 416.4.
Latest Index 01-246 8026.
* Nil=6.15.
Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1979 High	1979 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	75.91 (4/5)	64.64 (8/2)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	77.76 (5/5)	66.03 (15/2)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	558.6 (4/5)	418.1 (7/11)	558.6 (4/5/79)	49.4 (26/6/40)
Gold Mines	260.0 (2/10)	129.9 (17/4)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

	Nov. 7	Nov. 6
—Daily		
Gilt Edged	143.6	149.0
Industrials	157.8	161.[illegible]
Speculative	40.9	[illegible]
Totals	105.9	104.[illegible]
5-d'y Av'r'ge		
Gilt Edged	132.3	13[illegible]
Industrials	144.8	14[illegible]
Speculative	[illegible]	[illegible]
Totals	95.8	[illegible]

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS — Figures in parentheses show number of stocks per section

		Wed., Nov. 7, 1979 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Tues., Nov. 6 Index No.	Mon., Nov. 5 Index No.	Fri., Nov. 2 Index No.	Thur., Nov. 1 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (173)	207.60	−1.2	20.62	7.16	6.17	210.16	211.40	215.02	218.14	226.90
2	Building Materials (27)	200.87	−1.4	19.99	6.97	6.45	203.70	205.82	210.14	215.90	193.22
3	Contracting, Construction (29)	329.58	−2.1	27.52	7.20	4.52	336.76	341.64	344.55	349.63	362.65
4	Electricals (15)	523.09	−0.4	15.49	4.44	8.63	525.25	527.57	540.15	546.04	523.19
5	Engineering Contractors (12)	287.03	−3.1	24.96	8.53	5.00	296.13	294.63	295.62	298.78	355.17
6	Mechanical Engineering (74)	142.09	−1.0	23.12	8.03	5.42	143.55	144.40	145.49	146.91	178.35
8	Metals and Metal Forming (16)	141.44	−1.9	22.67	10.66	5.39	144.21	144.21	147.97	150.07	162.40
	CONSUMER GOODS										
11	(DURABLE) (52)	197.61	−2.0	18.70	5.98	6.64	201.68	205.04	206.86	211.22	198.36
12	Lt. Electronics, Radio, TV (15)	276.21	−2.0	14.66	4.56	8.74	281.82	287.96	290.75	297.59	243.06
13	Household Goods (14)	120.62	−3.8	24.89	8.84	4.90	125.32	126.54	127.86	129.97	170.11
14	Motors and Distributors (23)	98.23	−1.6	26.74	8.64	4.48	99.87	100.48	101.15	102.80	119.88
	CONSUMER GOODS										
21	(NON-DURABLE) (170)	207.20	−0.9	19.04	6.96	6.53	209.02	210.85	215.02	219.60	202.33
22	Breweries (14)	252.14	−0.4	17.86	6.13	6.67	253.13	254.06	258.20	265.18	221.72
23	Wines and Spirits (6)	302.90	−0.5	18.34	6.05	6.74	304.30	306.03	312.28	316.75	269.65
24	Entertainment, Catering (17)	284.00	−0.3	17.48	6.59	7.46	284.81	288.15	295.86	304.89	252.77
25	Food Manufacturing (18)	185.87	−1.2	21.34	7.31	5.82	188.06	190.52	195.95	199.31	196.74
26	Food Retailing (15)	266.17	−1.5	14.76	4.88	8.12	270.24	276.19	282.04	289.62	217.69
32	Newspapers, Publishing (12)	364.10	−2.0	26.07	8.00	5.30	371.65	377.67	383.54	398.12	373.16
33	Packaging and Paper (15)	117.86	+1.0	25.05	9.87	5.14	116.74	116.70	119.15	120.54	131.87
34	Stores (41)	201.91	−1.1	14.77	5.43	8.89	204.19	205.32	208.79	212.98	191.85
35	Textiles (23)	134.03	−1.3	27.52	11.98	4.59	135.73	136.21	138.68	142.00	173.46
36	Tobaccos (3)	208.49	−1.0	27.34	10.67	4.13	210.66	213.24	215.80	219.27	222.21
37	Toys and Games (6)	53.13	−4.6	30.57	13.48	4.18	55.67	56.54	58.11	58.67	94.94
41	OTHER GROUPS (98)	181.52	−1.2	17.37	7.25	7.05	183.70	184.90	187.50	190.33	193.06
42	Chemicals (16)	261.65	−0.9	19.08	7.51	6.11	264.08	265.55	267.48	270.22	273.66
43	Pharmaceutical Products (7)	198.67	+0.4	13.15	6.14	9.22	197.88	198.64	202.11	206.03	245.86
44	Office Equipment (6)	103.53	−1.6	19.28	8.15	6.47	105.24	106.68	107.37	107.79	125.24
45	Shipping (10)	410.65	−1.4	12.92	7.70	9.88	416.31	426.93	438.81	444.58	406.86
46	Miscellaneous (57)	211.30	−2.1	18.38	7.34	6.96	215.86	216.71	220.48	224.85	206.92
49	INDUSTRIAL GROUP (493)	206.86	−1.1	19.01	7.01	6.56	209.19	210.86	214.43	218.32	212.48
51	Oils (7)	707.05	−0.9	15.98	6.81	6.76	713.63	709.87	731.37	735.22	491.71
59	500 SHARE INDEX	246.34	−1.1	18.36	6.97	6.60	249.01	250.30	255.24	259.17	235.70
61	FINANCIAL GROUP (117)	167.03	−1.4	—	6.49	—	169.34	170.43	174.61	178.02	159.32
62	Banks (6)	198.87	+0.4	41.57	6.44	3.07	198.07	195.90	202.33	207.25	187.77
63	Discount Houses (10)	219.03	−2.6	—	9.01	—	224.95	227.59	231.55	235.09	198.51
64	Hire Purchase (5)	151.00	−3.2	23.48	5.76	5.39	156.07	159.06	167.91	172.62	140.26
65	Insurance (Life) (10)	135.61	−3.5	—	7.75	—	140.57	140.42	142.44	144.16	126.48
66	Insurance (Composite) (8)	108.26	−1.4	—	9.00	—	109.76	111.12	114.45	115.69	115.18
67	Insurance Brokers (10)	239.42	−3.7	20.84	8.16	6.86	248.54	255.59	258.17	262.24	310.24
68	Merchant Banks (14)	88.01	−1.5	—	6.65	—	89.33	89.87	90.71	91.88	76.72
69	Property (44)	306.35	−1.7	3.98	3.15	36.48	311.71	316.90	323.39	332.41	249.04
70	Miscellaneous (10)	111.23	−0.8	17.08	8.07	7.62	112.12	112.80	115.05	116.31	105.51
71	Investment Trusts (109)	182.81	−2.8	—	6.41	—	187.99	190.13	192.71	194.97	199.82
81	Mining Finance (4)	133.94	−0.1	16.62	6.37	7.31	134.04	135.55	137.56	137.73	101.95
91	Overseas Traders (20)	312.13	−0.9	15.84	8.68	7.66	314.86	316.79	320.62	323.11	309.96
99	ALL-SHARE INDEX (750)	224.41	−1.2	—	6.88	—	227.10	228.43	232.98	236.57	215.48

FIXED INTEREST PRICE INDICES

	British Government	Wed., Nov. 7	Day's change %	xd adj. today	xd adj. 1979 to date
1	Under 5 years	100.98	−0.38	—	8.18
2	5-15 years	107.09	−1.46	—	9.14
3	Over 15 years	111.33	−1.58	—	12.28
4	Irredeemables	119.38	−1.25	—	13.32
5	All stocks	105.96	−1.12	—	9.94

FIXED INTEREST YIELDS British Govt. Av. Gross Red.

			Wed., Nov. 7	Tues., Nov. 6	Year ago (approx.)
1	Low Coupons	5 years	11.96	11.77	9.45
2		15 years	12.19	12.04	11.31
3		25 years	12.48	12.35	12.10
4	Medium Coupons	5 years	14.08	13.86	12.45
5		15 years	13.83	13.58	12.54
6		25 years	13.61	13.35	12.54
7	High Coupons	5 years	14.49	14.24	12.62
8		15 years	14.25	13.98	13.10
9		25 years	13.92	13.68	13.16
10	Irredeemables		12.18	12.02	12.84

		Wed., Nov. 7 Index No.	Wed., Nov. 7 Yield %	Tues. Nov. 6	Mon. Nov. 5	Friday Nov. 2	Thurs. Nov. 1	Wed. Oct. 31	Tues. Oct. 30	Mon. Oct. 29	Year ago (approx)
15	20-yr. Red. Deb & Loans (15)	54.59	†13.58	54.88	54.89	55.07	55.36	55.34	55.40	55.55	56.06
16	Investment Trust Prefs. (15)	46.41	14.85	46.41	46.41	46.41	46.41	46.41	46.41	46.41	51.88
17	Coml. and Indl. Prefs. (20)	62.78	14.95	62.88	62.95	63.15	63.90	64.12	64.10	63.67	71.79

† Redemption yield. Highs and lows record base dates and values and constituent changes are published in Saturday issues. A list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 14p, by post 22p.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1979 high	1979 low
Ladbroke	10p	9	164	−6	243	164
Barclays Bank	£1	8	382	+7	514	360
EMI	50p	8	142	−1	147	81
GEC	25p	8	313	—	456	311
ICI	£1	8	326	−2	415	314
BAT Inds.	25p	6	245	−3	362	243
Blue Circle	£1	6	228	−10	356	228
Charter Cons.	25p	6	159	−2	178	122
Commercial Un.	25p	6	119	−1	185	119
Cons. Gold Fields	25p	6	306	+4	316	178
European Ferries	25p	6	95¼	−2½	183	95¼
Grd. Metropolitan	50p	6	128	+1	178½	110½
Racal Electronics	25p	6	210	−1	276	168½
Reed Int.	£1	6	170	+4	199	149
Shell Transport	25p	6	326	−2	402	275

OPTIONS

DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Oct. 29	Nov. 9	Feb. 7	Feb. 18
Nov. 12	Nov. 23	Feb. 21	Mar. 3
Nov. 26	Dec. 7	Mar. 6	Mar. 17

For rate indications see end of Share Information Service

Calls were dealt in Ultramar, Town and City, Burton Warrants, P & O Deferred, FNFC, Burmah, Premier Oil, Thorn, Western Areas, Coral Leisure, Decca A, Sound Diffusion, House of Fraser, Pacific Copper, Poseidon, Westminster Property, Charterhall, KCA, Epicure and LRC. Puts were completed in British Land, Capital and Counties, ICI and BTR. Doubles to be arranged included Town and City, Ladbroke Warrants, Burmah, EMI, and British Land.

LONDON TRADED OPTIONS

Option	Ex'rcise price	January Closing offer	January Vol.	April Closing offer	April Vol.	July Closing offer	July Vol.	Equity close
BP	275	94	10	—	—	—	—	361p
BP	300	55	—	66	2	—	—	"
BP	325	48	10	65	—	—	—	"
BP	330	—	—	—	—	75	13	"
BP	350	30	21	46	[illegible]	[illegible]	[illegible]	"
BP	360	—	—	—	[illegible]	[illegible]	[illegible]	"
BP	375	19	1	31	[illegible]	[illegible]	[illegible]	"
Com. Union	120	15	2	18	[illegible]	[illegible]	[illegible]	121p
Com. Union	130	8	5	12	[illegible]	[illegible]	[illegible]	"
Com. Union	140	5	—	8	[illegible]	[illegible]	[illegible]	"
Cons. Gold	280	40	6	52	[illegible]	[illegible]	[illegible]	306p
Cons. Gold	300	28	5	36	[illegible]	[illegible]	[illegible]	"
Cons. Gold	330	16	1	25	[illegible]	[illegible]	[illegible]	"
Courtaulds	80	6	5	10	[illegible]	[illegible]	[illegible]	81p
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

NEW HIGHS AND LOWS FOR 1979

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1979.

NEW HIGHS (4)

INDUSTRIALS (1)
Hamilborne

MINES (3)
Nrthn. Mining Cpn. Paringa Oilmin

NEW LOWS (418)

[illegible]

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	[illegible]	[illegible]	[illegible]
Corpns., Dom. and Foreign Bonds	[illegible]	[illegible]	[illegible]
Industrials	[illegible]	[illegible]	[illegible]
Financial and Prop.	[illegible]	[illegible]	[illegible]
Oils	[illegible]	[illegible]	[illegible]
Plantation	[illegible]	[illegible]	[illegible]
Mines	[illegible]	[illegible]	[illegible]
Others	[illegible]	[illegible]	[illegible]
Totals	[illegible]	[illegible]	[illegible]

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1979 High	1979 Low	Stock	Closing Price p	+ or −	Div. or Amount	Times Covered	Gross Yield	P/E Ratio
‡‡	F.P.	—	105	71	Fogarty (E.) Defd.	71	−5	—	—	—	—
125	F.P.	30/11	175	155	Link House 20p	155	−4	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST STOCKS

Issue Price £	Amount Paid Up	Latest Renunc. Date	1979 High	1979 Low	Stock	Closing Price £	+ or −
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

"RIGHTS" OFFERS

Issue Price p	Amount Paid Up	Latest Renunc. Date	1979 High	1979 Low	Stock	Closing Price p	+ or −
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

UNIT TRUST SERVICE

OFFSHORE & OVERSEAS—contd.

[illegible]

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Discretionary Unit Fund Managers

E. F. Winchester Fund Mngt. Ltd.

Emson & Dudley Tst. Mngmnt. Ltd.

Equity & Law Un. Tr. M.

Framlington Unit Mgt. Ltd.

Friends' Provdt. Unit Tr. Mgrs.

Funds in Court

G.T. Unit Managers Ltd.

G. & A. Trust (a) (g)

Gartmore Fund Managers

Gibbs (Antony) Unit Tst. Mgs. Ltd.

Govett (John)

Grieveson Management Co. Ltd.

Guardian Royal Ex. Unit Mgrs. Ltd.

Henderson Administration

Hill Samuel Unit Tst. Mgrs.

Investment Intelligence Ltd.

Key Fund Managers Ltd.

Kleinwort Benson Unit Managers

L & C Unit Trust Management Ltd.

Legal & General Tyndall Fund

Leonine Administration Ltd.

Lloyds Bk. Unit Tst. Mngrs. Ltd.

Lloyd's Life Unit Tst. Mngrs. Ltd.

Local Authorities' Mutual Invest. Tst.

M & G Group

Mayflower Management Co. Ltd.

Mercury Fund Managers Ltd.

Midland Bank Group Unit Trust Managers Ltd.

Minster Fund Managers Ltd.

MLA Unit Trust Mngmnt. Ltd.

Murray Johnstone U.T. Mgmt.

Mutual Unit Trust Managers

National and Commercial

National Provident Inv. Mngrs. Ltd.

National Westminster

NEL Trust Managers Ltd.

Northgate Unit Trust Managers Ltd.

Norwich Union Insurance Group (b)

Pearl Trust Managers Ltd.

Pelican Units Admin. Ltd.

Perpetual Unit Trust Mngmt.

Practical Invest. Co. Ltd.

Provincial Life Inv. Co. Ltd.

Prudl. Portfolio Mngrs. Ltd.

Quilter Management Co. Ltd.

Reliance Unit Mgrs. Ltd.

Ridgefield Management Ltd.

Rothschild Asset Management (g)

Rowan Unit Trust Mngt. Ltd.

Royal Tst. Can. Fd. Mgrs. Ltd.

Save & Prosper Group

Schlesinger Trust Mngrs. Ltd.

J. Henry Schroder Wagg & Co. Ltd.

Scottish Equitable Fnd. Mgrs. Ltd.

Sebag Unit Tst. Managers Ltd.

Security Selection Ltd.

Stewart Unit Tst. Managers Ltd.

Sun Alliance Fund Mngt. Ltd.

Target Tst. Mngrs. Ltd.

Target Tst. Mngrs. (Scotland)

Tower Unit Trust Mngt. Ltd.

Trades Union Unit Tst. Managers

Transatlantic and Gen. Secs.

Tyndall Managers Ltd.

Unit Trust Account & Mgmt. Ltd.

Ulster Bank

Wieler Growth Fund

NOTES

Prices are in pence unless otherwise indicated.

INSURANCE PROPERTY BONDS

Abbey Life Assurance Co. Ltd.

Albany Life Assurance Co. Ltd.

AMEV Life Assurance Ltd.

Barclays Life Assur. Co. Ltd.

Beehive Life Assur. Co. Ltd.

Canada Life Assurance Co.

Cannon Assurance Ltd.

Capital Life Assurance

Charterhouse Magna Gp.

Chieftain Assurance Funds

City of Westminster Assur. Co. Ltd.

City of Westminster Assur. Soc. Ltd.

Commercial Union Group

Confederation Life Insurance Co.

Cornhill Insurance Co. Ltd.

Credit & Commerce Insurance

Crown Life Insurance Co. Ltd.

Crusader Insurance Co. Ltd.

Eagle Star Insur./Midland Assur.

Equity & Law Life Ass. Soc. Ltd.

Equity & Law (Managed Funds) Ltd.

Gartmore Bonds

General Portfolio Life Ins. C. Ltd.

Gresham Life Ass. Soc. Ltd.

Growth & Sec. Life Ass. Soc. Ltd.

Guardian Royal Exchange

Hambro Life Assurance Limited

Hearts of Oak Benefit Society

Hill Samuel Life Assur. Ltd.

Imperial Life Ass. Co. of Canada

Irish Life Assurance Co. Ltd.

King & Shaxson Ltd.

Langham Life Assur. Co. Ltd.

Legal & General (Unit Assur.) Ltd.

Legal & General Prop. Fd. Mgrs. Ltd.

Life Assur. Co. of Pennsylvania

Lloyds Life Assurance

London A'dean & Nthn. Mtl. Assur. Ltd.

London Indemnity & Gnl. Ins. Co. Ltd.

London Life Linked Assur. Ltd.

The London & Manchester Ass. Gp.

M & G Group

Manufacturers Life Insurance Co.

Merchant Investors Assurance

NEL Pensions Ltd.

NPI Pensions Management Ltd.

New Zealand Ins. Co. (UK) Ltd.

Norwich Union Insurance Group

Pearl Assurance (Unit Funds) Ltd.

Phoenix Assurance Co. Ltd.

Prop. Equity & Life Ass. Co.

Property Growth Assur. Co. Ltd.

Providence Capitol Life Ass. Co. Ltd.

Provincial Life Assurance Co. Ltd.

Prudential Pensions Limited

Reliance Mutual

Rothschild Asset Management

Royal Insurance Group

Save & Prosper Group

Schroder Life Group

Scottish Widows' Group

Skandia Life Assurance Co. Ltd.

Solar Life Assurance Limited

Standard Life Assurance Company

Sun Alliance Fund Mangmt. Ltd.

Sun Alliance Linked Life Ins. Ltd.

Sun Life of Canada (UK) Ltd.

Target Life Assurance Co. Ltd.

Transinternational Life Ins. Co. Ltd.

Trident Life Assurance Co. Ltd.

Tyndall Assurance/Pensions

Vanbrugh Life Assurance

Vanbrugh Pensions Limited

Welfare Insurance Co. Ltd.

Windsor Life Assur. Co. Ltd.

OFFSHORE & OVERSEAS FUNDS

Alexander Fund

Allen Harvey & Ross Inv. Mgt. (C.I.)

Arbuthnot Securities (C.I.) Limited

Bank of America International S.A.

Banque Bruxelles Lambert

Barbican Managers (Jersey) Ltd.

Barclays Unicorn International

Bishopsgate Commodity Ser. Ltd.

Bishopsgate Progressive

Bridge Management Ltd.

Britannia Tst. Mngmt. (C.I.) Ltd.

Brown Shipley Tst. Co. (Jersey) Ltd.

Butterfield Management Co. Ltd.

Capital International S.A.

Charterhouse Japhet

Clive Investments (Jersey) Ltd.

Cornhill Ins. (Guernsey) Ltd.

DWS Deutsche Ges. F. Wertpapiersp

Delta Group

Deutscher Investment-Trust

Dreyfus Intercontinental Inv. Fd.

Emson & Dudley Tst. Mgt. Jrsy. Ltd.

The English Association

Eurobond Holdings N.V.

F. & C. Mgmt. Ltd. Inv. Advisers

Fidelity Mgmt. & Res. (Bda.) Ltd.

Fidelity Mgmt. Research (Jersey) Ltd.

First Viking Commodity Trusts

Fleming Japan Fund S.A.

Free World Fund Ltd.

G.T. Management Ltd.

Gartmore Invest. Ltd. Ldn. Agts.

Hambro Pacific Fund Mgmt. Ltd.

Hambros Fd. Mgrs. (C.I.) Ltd.

Henderson Baring Fund Mgrs. Ltd.

Henderson Baring (Guernsey) Ltd.

Hill-Samuel & Co. (Guernsey) Ltd.

Hill Samuel Invest. Mgmt. Intnl.

N.V. Interbeheer

International Pacific Inv. Mgmt. Ltd.

J.E.T. Managers (Jersey) Ltd.

Jardine Fleming & Co. Ltd.

Leopold Joseph & Sons (Guernsey)

Kemp-Gee Management Jersey Ltd.

Keyser Ullmann Ltd.

King & Shaxson Mngrs.

Kleinwort Benson Limited

Lloyds Bk. (C.I.) U/T Mgrs.

Lloyds Bank International, Geneva

M & G Group

Midland Bank Tst. Corp. (Jersey) Ltd.

Continued on previous page

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

[illegible]

Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

INTERNATIONAL BANK

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH & AFRICAN LOANS

[illegible]

LOANS

Public Board and Ind.

[illegible]

Financial

High	Low	Stock	Price	+ or −	Int.	Red. Yield
103¼	97¼	FFI 13pc 1981	97¼	−½	13.36	15.40
108¼	97½	Do. 14pc '83	97½	−1	14.36	14.77
86½	77½	ICFC 5½pc Deb. '80-82	81½	−1	6.83	13.10
85	71½	Do. 6¼pc Db. '81-84	73xd	−1½	7.53	13.90
99	84½	Do. 10½pc Uns.Ln. '86	88½	−1½	12.39	14.30
99	84½	Do. 11pc Uns.Ln. '88	89	−1½	12.92	13.70
101½	84	Do. 11¾pc Uns.Ln. '90	90½	−1½	13.64	14.40
72½	57	Do. 7¼pc A Deb. '89-92	62½	−1½	12.28	14.30
69	53½	Do. 7¼pc A Db. '91-94	57½	−2	12.89	14.50
81½	64½	Do. 9pc 'A' '91-94	67½	−2½	13.64	14.70
78½	62½	Do. 8¾pc Ln. '92-97	66½	−1½	13.87	14.50
102	91	Do. 12½pc Unr. Ln. 1992	91	−2	13.88	14.20

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

CANADIANS

[illegible]

BANKS AND HIRE PURCHASE

[illegible]

High	Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's	P/E
224	122	Com'l Aus. (SA1)	137	−2	Q18c	3.0	6.7	4.9
£17¾	930	Com'zbk DM 10	987	−13	Q26.6%	—	6.8	—
£18½	900	C'hgn.Hbk.Kr100	£10½	......	Q12%	—	10.5	—
41	22	Corinthian 10p	22	−1	†1.05	5.9	6.8	2.5
£24¾	£15	Cred. France F75	£18⅞	......	Q7.57%	—	3.5	—
16	10	Dawes (G. R.)	12	......	—	—	—	—
£[illegible]	£67½	Deutsche Bank DM50	£67½	−½	Q28.1%	—	5.4	—
90	58	F. C. Finance	59	−1	2.2	4.9	5.3	5.5
8¼	5¼	First Nat. 10p	7¼	−½	—	—	—	9.5
4	2	Do. Wrrts. 75-83	2½	......	—	—	—	—
266	178	Gerrard Natnl.	216	−9	†9.12	—	6.0	—
62	39	Gibbs (A.)	44	......	2.2	—	7.1	—
270	208	Gillett Bros. £1	208	−2	†16.95	—	11.6	—

BANKS & HP—Continued

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

CHEMICALS, PLASTICS—Cont.

[illegible]

DRAPERY AND STORES

[illegible]

ELECTRICALS

[illegible]

ENGINEERING MACHINE TOOLS

[illegible]

ENGINEERING—Continued

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

FOOD, GROCERIES—Cont.

[illegible]

HOTELS AND CATERERS

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

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هكذا من الأعمال

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CENTRAL RAND

EASTERN RAND

FAR WEST RAND

O.F.S.

FINANCE

DIAMOND AND PLATINUM

MINES—Continued

CENTRAL AFRICAN

1979 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
420	132	Falcon Rh.50c	380	......	Q100c	ϕ	18.1
36	11	Rhod'n Corp. 16⅔p	33	......	0.56	6.5	2.4
165	70	Roan Cons. K4	107	......	Q0.125	ϕ	7.1
67	26	Wankie Col. Rh.1	59	......	Q9c	ϕ	11.1
19	9	Zam.Cpr.SBD0.24	13	+1	—	—	—

AUSTRALIAN

1979 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
14	9	Acmex	11	−2	—	—	—
16	4	ACM 20c	11	......	—	—	—

TINS

COPPER

1979 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
120	56	Messina R0.50	97	−2	—	—	—

MISCELLANEOUS

1979 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
81	54	Barymin	68	−2	—	—	—
14½	10	Burma Mines 17½p	13	......	—	—	—
365	170	Cons. Murch. 10c	315	+10	Z038c	—	5.4
440	280	Northgate C$1	300	+10	—	—	—
362	226	R.T.Z.	276xd	−1	†11.5	3.4	6.0
31	12	Robert Mines	15	......	—	—	—
65	28	Sabina Inds. C$1	30	......	—	—	—
880	490	Tara Exptn. $1	505	......	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distributions and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ϕ Figures or report awaited.
- †† Unlisted security.
- ¢ *Price at time of suspension.*
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ◆ *Merger bid or reorganisation in progress.*
- ♣ Not comparable.
- ♠ Same interim; reduced final and/or reduced earnings indicated.
- § *Forecast dividend; cover on earnings updated by latest interim statement.*
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ♣ Regional price.
- ǁ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and or rights issue. H Dividend and yield based on prospectus or *other official estimates for* 1978-79. K Figures based on prospectus or other official estimates for 1979-80. M Dividend and yield based on prospectus or other official estimates for 1980. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. Q Gross. T Figures assumed. Z Dividend total to date. ‡‡ Yield based on *assumption Treasury Bill Rate stays unchanged until maturity of stock.*

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xR ex capital distribution.

"Recent Issues" and "Rights" Page 40

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £500 per annum for each security

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Stock	Price	+ or −
Albany Inv. 20p	27	......
Bertam	16	......
Bdg'wtr. Est. 50p	415	−5
Clover Croft	30	......
Craig & Rose £1	£10½	......
Dyson (R. A.) A	25	......
Fife Forge	48	......
Finlay Pkg. 5p	19	......
Graig Ship. £1	650xd	......
Higsons Brew	65	......
Holt (Jos) 25p	255	......
I.O M. Stm. £1	155	......
Pearce (C. H.)	410	......
Peel Mills	30	......
Sheff. Refrshmt	105	......
Sindall (Wm.)	170	......

IRISH

Stock	Price	+ or −
Conv. 9¾% '80-82	£85⅞	−⅛
Nat. 9½% 84/89	£71¾	+⅛
Fin. 13% 97/02	£79¾	+¼
Alliance Gas	65	......
Arnott	370	......
Carroll (P.J.)	55	+2
Clondalkin	82	......
Concrete Prods.	82	......
Heiton (Hldgs.)	35	......
Ins. Corp.	210	......
Irish Ropes	73	......
Jacob	51	......
T.M.G.	150	......
Unidare	85	−3

OPTIONS

3-month Call Rates

Industrials					
A. Brew	8	I.C.I.	20	Tube Invest.	27
BCC Intl.	6	"Imps"	8	Unilever	40
B.S.R.	5	I.C.L.	45	U.D.T.	4
Babcock	12	Inveresk	5	Utd. Drapery	10
Barclays Bank	30	KCA	3½	Vickers	18
Beecham	13	Ladbroke	27	Woolworths	6½
Blue Circle	25	Legal & Gen.	14		
Boots	17	Lex Service	11	**Property**	
Bowaters	16	Lloyds Bank	24	Brit. Land	7
B.A.T.	25	"Lofs"	3½	Cap. Counties	9
Brown (J.)	7½	London Brick	6	Land Secs.	25
Burton 'A'	25	Lonrho	6	MEPC	17
Cadburys	5½	Lucas Inds.	20	Peachey	13
Courtaulds	8	"Mams"	15	Samuel Prop.	14
Debenhams	8	Mrks. & Spncr	10	Town & City	2
Distillers	21	Midland Bank	30		
Dunlop	6	N.E.I.	5	**Oils**	
Eagle Star	14	Nat. West. Bank	28	Brit. Petroleum	35
E.M.I.	12	P & O Dfd.	10	Burmah Oil	15
Gen. Accident	21	Plessey	10	Charterhall	5
Gen. Electric	35	Racal Elect.	22	Premier	4
Glaxo	40	R.H.M.	4½	Shell	30
Grand Met.	13	Rank Org.	18	Ultramar	22
G.U.S. 'A'	30	Reed Intnl.	17		
Guardian	25	Sears	5½	**Mines**	
G.K.N.	22	Spillers	4½	Charter Cons.	16
Hawker Sdly	16	Tesco	7	Cons. Gold	28
House of Fraser	14	Thorn	35	Rio T. Zinc	27
		Trust Houses	14		

A selection of Options traded is given on the London Stock Exchange Report page

FINANCIAL TIMES

Thursday November 8 1979

Kennedy declares his bid for nomination

BY JUREK MARTIN IN BOSTON

MR. EDWARD KENNEDY yesterday offered the U.S. his vision of "a forceful, effective Presidency" as he formally declared his candidacy for the highest office in the land.

Surrounded by his family, and speaking from the platform of historic Faneuil Hall, which has links with the American Revolution, Mr. Kennedy never mentioned by name his principal opponent for the Democratic Party's nomination, President Jimmy Carter.

But the predictable thrust of his message was that leadership had to come from the White House to provide "the sense of direction needed by the nation."

It was the absence of this quality at present, he said, that was inducing him to lift his political sights from the Senate to the Presidency.

Mr. Kennedy did not seek to present detailed policy positions yesterday. He spoke largely in rhetorical and spiritual terms, and dwelt on domestic economic troubles, in the traditional language of the Democratic Party which his dead brothers, President John F. Kennedy and Senator Robert F. Kennedy, had so clearly enunciated in the 1960s.

Acknowledging that times had changed since then, he said that necessary solutions to economic difficulties could lead the country down "unfamiliar paths." But he emphasised that this did not mean abdication of the principles of the Democratic Party in its concern for the disadvantaged or in its commitment to equality for all.

Later, in answer to a question, he complained that the anti-inflation and energy policies of the present administration had passed through too many hands in Washington.

"Messrs. Strauss, Kahn, Schlesinger and Volcker were not elected president of the United States," he said, giving a clear clue to the emphasis on Presidential responsibility and involvement that his campaign will take.

The right domestic policies should, he said, ensure a strong currency. "Surely we are not helpless to protect the dollar, and prevent other nations from holding our economy hostage to their products." It was not immediately clear if this implied support for the sort of trade protectionist policies favoured by the trade unions whose support Mr. Kennedy is seeking.

At no stage was there a reference to the accident ten years ago on Chappaquiddick Island, where a young woman friend lost her life. But perhaps significantly, in domestic political terms, there was an elegantly staged response to a question on another painful subject—the role that his wife Joan might play in the campaign. The two have been living apart for some years and Mrs. Kennedy has been having treatment for alcoholism.

The Senator neatly stepped aside as his wife jumped to her feet, ran to the microphone and said she was "looking forward with enthusiasm" to her husband's becoming the next president of the U.S.

Mr. Kennedy also disclosed that last year, his gross income had amounted to just over $700,000 (£333,000), most of which came from family trust funds. The President of the U.S. earns a salary of $200,000 a year.

Chappaquiddick in way of new Camelot, Page 5

BL hopes rise for pay deal

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

BL CARS' hopes of limiting this year's pay deal to 5 per cent without provoking industrial action were given a boost last night.

Union negotiators demanding a 30 per cent index-linked wage rise admitted last night that the company had made no concessions during three days of talks in Coventry.

Rather than risk confrontation, negotiators are to throw the issue back to the workforce. All 90,000 manual workers will be given copies of the 85-page management offer which demands fundamental changes in working practices.

Mr. Grenville Hawley, national automotive secretary of the Transport and Gneeral Workers' Union, said the changes were so radical that consultations would have to be held with national officials of all the unions within BL Cars.

Changed working practices could affect the policies of individual unions and it was important to avoid demarcation problems, he said.

Mr. Geoff Armstrong, BL Cars' employee relations director, maintained that the reforms would involve no changes of principle in national agreements. The aim was to get the practices of the best plants adopted across the company.

The "change in attitudes" demanded by the company represents an assault on long-established powers of the shop stewards to control manning levels and the rate of work.

The decision of the negotiators to sound out shop-floor opinion reflects their lack of confidence after shop stewards' leaders were rebuffed in the recent ballot of the workforce.

Employees voted seven-to-one to support Sir Michael Edwardes' plan to close plants and axe 25,000 jobs. That plan was officially endorsed by the BL board yesterday, ready for submission to the National Enterprise Board.

The company pay offer will go to the workforce next week. Negotiators also hoped to hold consultations with the national officials. The issue will then be put to a meeting of senior shop stewards before negotiations continue.

Many union leaders believe that although the reforms might cause an outcry on the shop floor, the time is not right for confrontation or militant action.

The main threat to the deal is likely to come from production workers, who receive only a 5 per cent rise compared with the 10 per cent on offer to skilled men such as toolmakers.

Under a proposed incentive scheme, all employees would be able to earn up to £15.00 a week more for a 20 per cent improvement in productivity. Such efficiency would mean a reduction of between 10,000 and 14,000 jobs.

Miners nearer settlement, Page 15

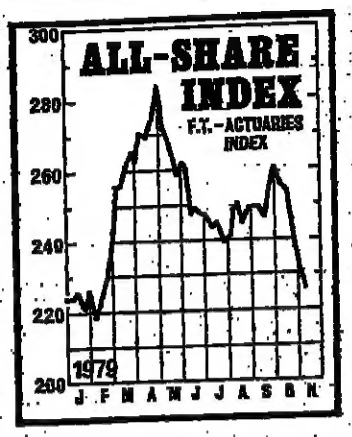
THE LEX COLUMN

Gilts search for a new level

Short term interest rates were steadier yesterday but rates for terms of anything over a year continued to rise sharply as the gilt-edged market continued its agonising adjustment. Clearly Minimum Lending Rate is now out of line, along with bank base rates, but the general impression in the markets is that the authorities will wait for another week, when the BP issue is out of the way, before taking any action. The clearing banks will no doubt be prepared to hold on for a bit longer at a base rate of 14 per cent in the hope of being able to follow an official lead.

Curiously, the equity market stabilised after the opening markdown and finished at the day's highest level. There were signs of a reasonable level of institutional buying at the cheaper prices reached after the recent sharp set back. In all the FT-Actuaries All-Share Index has dropped by 15 per cent since it touched an intermediate peak of 262.99 exactly a month ago. The All-Share is still, thanks largely to its oil constituents, some 2 per cent above the level at which it started hte year. But the 494-Share Industrial Group is 4 per cent down, and the FT 30-Share Index, with its more limited raneg of industrial blue chips, is off more than a tenth.

Index fell 0.4 to 418.1



The recent weakness of the equity market partly reflects the worsening profits outlook for companies and partly the ending of exchange controls, which has encouraged institutions to put money by and reassess their investment policy. But mostly the shakeout is a simple reaction to the sharp rise in long gilt yields, which have climbed by well over a point since the beginning of October. Over the same period the yield on the All-Share has rien by about 0.9 of a point.

The scale of the recent gilt-edged weakness is shown up by the fact that if the Government broker is to reactivate his two taps, the drop from their last levels will have to be of the order of 9 or 10 points. With the November make-up day still nearly two weeks off the authorities have a little time to play with, but they have to make some delicate calculations about the funding requirement an dthe market's appetite for stock.

Th lates new of Chase Manhattan's prime rate increase was badly received in London, while in New York Treasury Bill rates were continuing to rise ahead of the auction. The bond market on Wall Street is in a very nervous state, and although it is now offering high real returns, there are no signs that rates have yet reached a peak. Athough the official monetary data has been looking a bit healthier, there are signs that the numbers are now being distorted in ways that would be very familiar to the UK authorities, there has been a surge in transactions outside the banking system, and a burst of round tripping by the banks on the basis of "cheap" Fed money.

In the equity market, the Dow Jones Index found technical support around the 800 mark. But it is hard to see a sustained rally in present conditions.

BP prospects

The stags saw their prospective profit from the BP share offer melt away yesterday as the market fell 3p below the issue price to 360p. At this level the issue still represents a slightly cheaper way in for the long-term investor since the stamp and commission costs, as well as the interest savings while the shares are partly paid, reduces the market-comparable price to about 346p. However, so long as the price in the market remains below about 365p there will not be enough margin to cover the costs of a stagging operation.

The Government will certainly not weep to see the stags discomfited, since apart from the need to raise revenue, its motive has been to spread share ownership more widely. This is the reason small applications are to be favoured. On the other hand there must be some risk of the offer being under-subscribed, with many of the bigger applicants waiting for the last possible moment on Friday morning before handing in forms.

On balance, however, unless there is a further sharp drop in the market price, it looks as if the offer will be over-subscribed. As well as small home investors, there is reported to be sizeable interest from abroad, with the Far and Middle East and German banks to the fore. Even if the issue flops the underwriting institutions are unlikely to be too concerned, since most are underweight in the stock anyway.

Sainsbury

Sainsbury's interim pre-tax profits are up from £15.6m to £19.5m, and the group is continuing to increase its market share and its sales volume without apparently sacrificing margins or quality.

In terms of volume, growth the 7 per cent increase in the first half was sharply down on the 20 per cent increase in the comparable period of 1978-79, when Discount 78 was making its impact. Even so, it is a reasonably good performance, and the group's market share has edged up from 8.6 per cent to 8.8 per cent according to the Department of Trade and Industry figures. Net margins have also improved.

In the second half Sainsbury is bringing another seven supermarkets on stream adding an extra 105,000 square feet of selling space and the company plans to open another 15 stores (300,000 square feet) in 1980-1981. It is moving North into Asda territory (it opens in Leeds in 1981) and is also looking at Scotland.

In the short term this impressive physical expansion is likely to disguise any sluggishness in its existing business. In the current year pre-tax profit should rise from £32.5m to £38-£40m. The company has taken a few hesitant steps to diversify its earnings base away from food. It owns 50 per cent of Savacentre along with British Home Stores, and has recently announced a joint venture to exploit the fast growing do-it-yourself market. But these ventures are on a relatively small scale and Sainsbury's future for the time being is tied more closely than most to the fortunes of the grocery trade.

The High Street price war has abated recently, but the prospect of sluggish consumer spending next year plus increased competition from Tesco and Asda explains the stock market's current nervousness about food retailers. At 262p the shares yield 5.1 per cent and sell on a prospective 11.6 times fully taxed earnings.

Britain sells last stake in Suez

BY DAVID MARSH

THE GOVERNMENT has raised £21.9m through the sale of its 7.7 per cent shareholding in Compagnie Financière re Suez, the diversified French industrial holding company which is the successor of the company set up 103 years ago to develop the Suez Canal.

The shares have been sold to Banque de l'Indochine et de Suez, one of the company's subsidiaries, as part of the Treasury's programme for the disposal of public sector assets.

The transaction was announced in the Commons yesterday by Mr. Nigel Lawson, Financial Secretary to the Treasury. It was arranged last week by the Bank of England for settlement on November 30. Banque de l'Indochine intends to place the shares on the French market.

The Government's holding of 710,150 shares, each with a nominal value of FFr 100 (£11.50), changed hands at FFr 275 each, slightly above yesterday's price of FFr 270.5 on the Paris Bourse.

The sale forms part of the public asset dispsals announced by the Government last month. The programme aims to raise £1bn to lower the 1979-80 public sector borrowing requirement. It includes forward oil sales of £400m to £500m by the British National Oil Corporation, the £290m to be raised by the BP share sale, as well as disposals of land assets and holdings of the National Enterprise Board.

The Government acquired its Suez shareholding in 1876 when it paid the Khedive of Egypt just over £4m for 44 per cent of the share capital in the Suez Finance Company, set up to build the canal.

The company was radically reconstructed after the Canal nationalisation in 1956. Assets received as compensation were used to create a holding company with a portfolio of stock-market and direct investments. Its name was changed in 1958 to Compagnie Financière de Suez.

Profile of Suez company, Page 34

'Indecision' of EEC under fire

EEC MEMBER Governments are expressing mounting concern in Brussels over the European Commission's "political impotence," with senior government officials here increasingly condemning the 13-member Commission for its indecision on key issues.

Their concern centres particularly on the Commission's refusal to make clear recommendations to the Dublin summit later this month that would accelerate a decision in the row over Britain's £1bn net contribution to the EEC budget.

Members, with the obvious exception of the UK, suggest that the Commission was primarily bent on avoiding controversy when it forwarded a wide range of options on this issue. Further, they say that the Commission is failing to do the groundwork necessary for bringing Spain and Portugal into the Community.

These criticism have brought to a head charges that the Commission, under the presidency of Mr. Roy Jenkins, is in political terms a lame duck—a view supported at senior levels within the Commission itself.

Although the Commission is traditionally the scapegoat for uncooperative governments, the present crisis of confidence reflects a deeper malaise in a Community unable to tackle fundamental problems.

Feature, Page 24

Corby to be made a development area

BY PHILIP RAWSTORNE

CORBY, where 5,500 jobs will be lost with the closure of iron and steel plants early next year, will be made a development area.

Sir Keith Joseph, the Industry Secretary, told the Commons yesterday that EEC Commission approval for the Government's move was expected within a few weeks.

Development area status will make the Northamptonshire town eligible for a wide range of Government and EEC assistance to attract industry and employment.

Regional development grants on building work, plant and machinery, and additional selective financial help under the Industry Act, 1972, would be available.

Corby would also be eligible for aid from the European Coal and Steel Community funds, and for assistance towards infrastructure and industrial projects from the European Regional Development Fund.

Shortly before the Government announcement yesterday, the ECSC signed a £20m loan facility to help provide jobs in areas of the UK affected by coal and steel closures.

Private

The funds, which will be handled by the Industrial and Commercial Finance Corportion, follow an earlier allocation of £10m.

Sir Keith said that the Corby Development Corporation already had a substantial advanced factory programme, and was trying to attract private development.

The Department of Environment was providing funds for an additional 70 acres at the town's Earlstrees Industrial Estate. Another 250 acres of land at Weldon in the Corby area was being considered for industrial development.

Sir Keith said that the Commission for New Towns, which would take over from the development corporation next year, would be given the resources to continue site work and would be asked to give priority to Corby.

The Government's recent decision to go ahead with the A1-M1 link would also give Corby better access to the industrial Midlands and the expanding east coast ports.

"All these measures, taken together with Corby's favourable location in the East Midlands, town will prove more attractive to private investors and will thus improve the employment prospects of those affected by the steel closure," he said.

Sir Keith, replying to Labour charges that the Government's financial policies were doing "irreparable damage to the country's essential steel making interests," said that more delays in the British Steel Corporation's rationalisation programme would cause even greater loss of jobs.

Mr. John Silkin, Labour's spokesman on industry, said there were predictions of a 20 per cent fall in production of motor vehicles, mechanical engineering products and metal goods by 1983.

"This is the first bitter instalment of a frightening bill which the people of this country are going to pay for electing a Conservative Government," he said.

Bids and deals, Page 30
£30m loan bid, Page 8;
Parliament, Page 12
formula, Page 15

Sweden seeks $800m international loan

BY JOHN EVANS

SWEDEN is to raise an $800m (£380m) loan on the international capital markets.

The financing follows a fall in the country's foreign exchange reserves and a steady deterioration in its balance of payments, which some Swedish economists forecast will result in a current account deficit of SKr 16.5bn (£1.88bn) next year.

Sweden's last substantial credit on the Eurocurrency markets was obtained late last year, when it re-financed a $1bn facility to achieve better terms from its lending banks. The margin on that facility was reduced to ⅝ percentage points over Eurodollar interbank rates, and the maturity set at 10 years.

The latest loan, the organising mandate for which has been awarded to West Germany's Westdeutsche Landesbank, is also for 10 years, according to European bankers. But the margins payable range between ⅜ and ½ percentage points only over interbank rates — placing Sweden among the countries which can command the finest terms for their borrowings in international markets.

The grace period before loan repayments have to begin is five years. It is understood that the credit, which will be organised as a direct placement among a group of international banks rather than being widely syndicated on the markets, will be aranged as a revolving facility for the first five years.

This should give Sweden the ability to raise funds on alternative markets, where borrowing terms may become favourable, and make appropriate repayments on the Eurocredit.

Sweden is the second European country to approach the international markets for substantial amounts in the last few days. More such borrowings are expected from the industrial nations as higher world oil prices start to create payment difficulties.

In Brussels yesterday, M. Gaston Geens, the Belgian Finance Minister, confirmed that Belgium was planning a borrowing of around $1bn through a syndicated credit. That will be used to consolidate patr of the short-term Belgian foreign borowings of BFr 38m (£630m) since the beginning of the year, M. Geens said.

John Walker adds from Stockholm: The $800m loan which Sweden is now seeking is expected to meet requirements for the remainder of this year only, and further foreign borrowings are forecast.

Estimates of the current account payments deficit by the Federation of Swedish Industry economists are some SKr 3bn to SKr 4bn above those of government economists in Stockholm and more than double those published in the spring budget.

Central banks keep up momentum, Page 2

Continued from Page 1

Rhodesia

dulging in a political manoeuvre by rushing the Bill through.

The Shadow Cabinet decided las tnight to table a reasoned amendment to the Second Reading of the enabling Bill, criticising in particular the lifting of sanctions. A decision on whether to vote against the Bill as a whole will probably be postponed until after a meeting of the Parliamentary Labour Party this evening.

Bridget Bloom and Michael Holman write: Patriotic Front officials last night accused Lord Carrington, the Foreign Secretary and Rhodesia talks chairman, of wanting to recognise the Salisbury government of Bishop Muzorewa.

The enabling legislation, they declared, showed that Britain had decided "to anticipate agreement at a time when negotiations at Lancaster House were at a delicate stage."

Sir Ian Gilmour, the officials said, had "misled" MPs in his descriptoin of progress at the nine-week talks. "We couldn't be further apart on all major transition issues—the public services, the status of the Patriotic Front forces, the role of the Rhodesian police and the judiciary."

Lord Carrington nevertheless remains anxious to press ahead, but he told delegates at yesterday's 40-minute plenary session at Lancaster House that he must have soon their final response to Britain's plan for pre-independence arrangements.

Cleary the conference is at a crucial stage. President Kenneth Kaunda of Zambia is due to arrive this morning and is expected to have talks with the Prime Minister adn the Foreign Secretary before visiting Rome.

He is expected to express the view of the five African front-line states that the deadlock at the talks can only be broken if Britain agrees to extend the transition from the proposed two to three months to nearer six months.

'Flying mail' extended

THE FIRST major extension of the Post Office5s "flying mail" system, designed to speed-up first class letters, has been made with the opening of a link betwee Liverpool and Cardiff.

The service centred on Speke Airport, Liverpool, handles 250,000 letters a day. By January Exeter and Bournemouth will be added to the other city links at Newcastle, Bristol, Glasgow and Norwich.

Weather

UK TODAY

COLD. Bright, sunny intervals. Some showers.

London, S.E. and S. England
Dry, later rain, cold. Max 7C (45F).

E. Anglia, Midlands, N. England
Mostly dry, windy, cold. Max. 7C (45F).

Channel Isles, S.W. England
Scattered showers, cold. Max. 8C (46F).

Wales, Isle of Man, N.W. England, N. Ireland
Scattered showers, snow, rather cold. Max. 7-8C (45-46F).

N.E. England, Borders, Edinburgh and Dundee, Glasgow,
Early fog, showers, snow, cold. Max 6C (43F).

Rest of Scotland
Bright, wintry showers, cold. Max. 5C (41F).

WORLDWIDE TEMPERATURES

		Y'day midday °C	°F			Y'day midday °C	°F			Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	F	18	64	L. Plms.	F	22	72	Cologne	F	10	50	Perth	C	25	77
Algiers	S	23	73	Lisbon	S	17	63	Cpnhgn.	F	7	45	Prague	C	6	43
Amsdm.	F	9	48	Locarno	F	14	57	Dublin	R	10	50	Reykjvk.	S	−4	25
Athens	S	20	68	London	R	11	52	Dbrvnk.	C	14	57	Rhodes	C	16	61
Bahrain	S	29	84	Luxmbg.	C	9	48	Ednbgh.	C	6	43	Rio J'o	S	25	77
Barclna.	S	19	66	Luxor	S	29	84	Faro	S	22	72	Rome	S	19	66
Beirut	F	24	75	Madrid	S	17	63	Florence	C	16	61	Salzbrg.	R	3	37
Belfast	R	5	41	Majorca	S	22	72	Frankft.	F	10	50	Singapr.	R	25	77
Belgrd.	C	7	45	Malaga	S	17	63	Funchal	F	20	68	Stckhm.	C	4	39
Berlin	C	7	45	Malta	F	19	66	Geneva	C	12	54	Strasbg.	C	12	54
Biarritz	C	15	59	M'chstr.	R	7	45	Gibrltr.	S	17	63	Sydney	R	15	59
Bmghm.	R	9	48	Melbne.	C	13	55	Glasgow	R	6	43	Tehran	S	12	54
Blackpl.	R	6	43	Milan	S	19	66	G'rnsey	C	14	57	Tel Aviv	F	24	75
Bordx.	R	15	59	Mntreal.	Fg	6	43	Helsinki	C	3	37	Tenerife	F	21	70
Boulgn.	R	11	52	Moscow	R	1	34	H. Kong	S	25	77	Tokyo	C	18	65
Bristol	R	12	54	Munich	C	5	41	Innsbrk.	R	1	34	Toronto	C	5	41
Brussels	F	11	52	Nairobi	R	22	72	Invrnss.	C	5	41	Valencia	S	23	73
Budpst.	F	8	46	Naples	F	18	64	Istanbul	R	10	50	Venice	S	12	54
B. Aires	R	20	68	Nwcstl.	R	5	41	Jersey	F	14	54	Vienna	S	10	50
Cairo	S	25	76	N. York	C	13	56	Jo'burg	S	26	78	Warsaw	C	6	43
Cardiff	R	12	54	Nice	F	18	64								
Cape T.	C	26	78	Oslo	S	2	36								
Chicago	S	2	36	Paris	C	14	57								

C-Cloudy. F—Fair. Fg—Fog. R—Rain. S—Sunny.

Continued from Page 1

Gilts fall again

be approved by the Prime Minister, who is known to have had initial reservations about the increase in MLR to 14 per cent in the June Budget.

For once, the Government does not face immediate pressure from the foreign exchange markets, since sterling has been strong for the last two days. The pound jumped 3¼ cents yesterday to $2.1060 in active trading. The trade-weighted index rose 0.6 points to 67.2 after rising by 0.5 points on Tuesday. This was partly a response to the weakness of the dollar and expectations of higher oil prices, though it also reflected the possibility of higher UK interest rates.

The Government does, however, face pressure to re-establish a new level at which it can sell gilt-edged stock, since its two current taps were last sold at well above current levels. There is also a need to start issuing new stocks again soon to fund public sector borrowing.

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